

U.S. INFORMATION AGENCY AUTHORIZATION FOR FISCAL YEARS 1990 AND 1991

HEARING BEFORE THE COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE ONE HUNDRED FIRST CONGRESS FIRST SESSION

MAY 4, 1989

Printed for the use of the Committee on Foreign Relations



U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1990

99-179

5381-22

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THURSDAY, MAY 4, 1989

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met at 10:01 a.m. in room SD-419, Dirksen Senate Office Building, Hon. Claiborne Pell (chairman of the committee) presiding.

Present: Senators Pell, Kerry, Moynihan, Robb, Helms, Lugar, Pressler, Murkowski, McConnell, and Mack.

The CHAIRMAN. The Committee on Foreign Relations will come to order, as we welcome USIA Director Bruce Gelb back to our committee in his new capacity, all duly confirmed.

The contribution of programs under the jurisdiction of the U.S. Information Agency to our foreign policy is much appreciated by our committee. These include the VOA, which provides accurate news information to much of the world, and the additional educational and cultural exchange programs which are a particular favorite of some of us.

Above all, our country is well served by the dedicated employees of USIA, and in particular by the ever-diminishing number of Foreign Service officers serving in posts abroad. In other words, we find the proportion of those abroad to those here going in the wrong direction.

My recollection is that—well, I better not go into figures, but my recollection is about three or four times as many people at home as abroad, which I would hope my recollection is incorrect on that.

Unfortunately, my recollection is correct, and I wish it was not.

Given USIA's contribution, I believe strongly that its funding should be significantly increased for overseas activities. Unfortunately, this is not possible. The budget summit agreement will require major reductions from the President's request in both foreign affairs agencies and in our foreign assistance programs.

Because of the demands for full funding of the UN, assistance to base-rights countries, and the special Philippine initiative, there just is no money to increase the operations of the USIA.

Therefore, we will be asking Mr. Gelb to identify his priorities in a budgetary situation that is a miserable one and allows for no growth. It is not a pleasant task, but it is one that has been made necessary by the fiscal policies of spend and borrow of the last 8 years.

I would ask the ranking minority member if he has a statement.

Senator HELMS. Thank you, Mr. Chairman.

Good morning, Mr. Gelb. You look chipper. Nice to have you here. We appreciate your coming.

Mr. Chairman, as you have indicated, the committee today is considering one of the most critical areas of America's foreign policy, the public diplomacy activities of the U.S. Information Agency. The budget for USIA has increased rather dramatically over the past 8 years, more rapidly in fact than any other aspect of our foreign policy activity.

But unfortunately, the challenges to U.S. policy goals around the world have increased dramatically as well. So, you have kind of got a burden on your shoulders, Mr. Gelb, and I certainly for one look forward to your testimony this morning.

I would say to you, sir, that there are two issues where U.S. policy confronts especially dangerous forces. The first comes under the banner of what we now call the Reagan doctrine, which proclaimed the right of all people to live in freedom. The Reagan doctrine is in great danger of being overwhelmed by the Brezhnev doctrine in southern Africa, in Central America, and I fear in Afghanistan. So, all of us are very interested in the USIA's proposed activities in those areas.

Now, the second area of challenge comes in Western Europe, where U.S. diplomacy has experienced a severe setback in our relationship with our allies on a basic question, on the most basic question in fact, which will affect our future, not only in terms of the alliance, but of the West itself.

So, your testimony is going to be of great interest, and again I welcome you here and I wish you well.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much.

Mr. Gelb, do you have a full statement there?

STATEMENT OF HON. BRUCE F. GELB, DIRECTOR, U.S. INFORMATION AGENCY

Mr. GELB. Mr. Chairman, I have already submitted my written statement to the committee and I would like to ask your indulgence if that could be put in for the record. I do have just a few short comments.

The CHAIRMAN. Your full statement will be inserted in the record as if read and we would be glad to hear your comments.

Mr. GELB. Two days ago I returned from a trip that took about 13 days and gave me the opportunity at firsthand to see the USIA overseas at work. The countries that I visited were: Germany, and that means West Berlin, East Berlin, and West Germany itself at the capital at Bonn; a short period of time in England, where I participated in the CSCE conference, which is the conference for European cooperation and security. The information focus was No. 1 at that conference, and I gave a short talk before the group as part of the chairman's remarks; I then went to Egypt, where I had a chance to be with President Mubarak in one of the most interesting moments for public diplomacy, I think, that anyone could ever experience.

I spent my closing time in Israel, a complicated country with many different countervailing forces. I had a chance to be with Palestinians, with Teddy Kollek, the mayor of Jerusalem, with members of the Fulbright Commission, and I saw and heard interesting items. The trip energized me now that I am a full 2 weeks in action as the Director of the USIA.

Each one of the places that I visited gave me an opportunity to hear statements made, not by our own people, who may have a tendency to feel proud of what they do on an everyday basis, but by the leaders of these countries.

If you could have heard Teddy Kollek—who I am sure a great many members of the Foreign Relations Committee know—talk about the value of the USIA exchange programs you would have been even more partisan toward these programs. They are vital to the understanding that exists between the two countries.

I met with Chancellor Kohl in Germany as well as with Mr. Weidenfeld, the leader of cultural exchange programs between Germany and the United States. The Chancellor talked about how important it is for the interchange of academics, the interchange of leading foundation executive directors to come to Germany to explain what is going on in the two countries. He personally ask me two things:

What can we do to help improve the understanding of modern Germany in the United States and what can Germany do to help the United States in the way that we have historically done so well?

What can be done to improve our work with America Houses, at their expense? That was the thing that was so impressive to me. We are all under a tight, constrained budget, and here is the Chancellor of Germany saying, "Tell us what we can do to help America and we will pay that bill."

The final area that I found so interesting——

Senator HELMS. That is a novelty; is it not?

Mr. GELB. Say again?

Senator HELMS. That is a novelty.

Mr. GELB. That is a big novelty, Senator, a big one, and that is one of the reasons I am mentioning it.

The third item I would like to mention was discussed when I met with President Mubarak..

President Mubarak started to tell me one thing which—if I had programmed him, I could not have said it better myself—he started out of the blue to talk about the importance of what WORLDNET, USIA's television service, means in Egypt, what it means to him personally, and what it means to the United States in terms of helping the world understand what we stand for.

He was very upset that much of the programming was cut off. I was amazed that he knew about it. Perhaps he had been programmed for my visit, but I do not think so. And what he said was: "If Egypt could afford to do what we do with the satellite interconnect, they would do it in 2 seconds." If Russia, as he put it, could find a way to do it, they clearly would do it.

And he urged me to quote him at this hearing, and I have never had a President of a country permit me to quote him. He is saying, "Take the hobbles off of television and make it an effective tool."

The last thing I want to do is to show the effect of USIA promulgating the one thing this country stands for more than anything else—freedom. I would like to read something I found on my desk when I returned from my trip. This is a cable from our USIS office in Beijing:

The Voice of America has been unquestionably the principal source of information for the Chinese people during these days of confrontation. Our interlocutors in Givangzhou said they would simply not have known of the Beijing events without the Voice's coverage. Play by domestic media has been predictably dilatory and fragmentary or nonexistent.

There have been numerous reports of shortwave radios being placed in campus windows and played at top volume to keep students informed of how their activities were being reported. Sources are nearly unanimous that the Voice of America news reporting has been fair and not overplayed or underplayed the story.

I might mention also, this is the first chance I have had to hear the Voice of America, and I heard it in Egypt. It was on at 11 to 12 at night and I listened to it just before going to bed.

Once you get used to it, you want to hear it everywhere. You have the feeling it tells you the truth about what is going on. USIA is a crucial player in the future of this country, particularly now when the world is opening up, becoming reenergized and strengthened. All that I can say is that I am again grateful to the President of the United States for giving me this opportunity to serve my country.

With that Mr. Chairman, I am ready to take your questions.
[The prepared statement of Mr. Gelb follows:]

PREPARED STATEMENT OF BRUCE F. GELB

Mr. Chairman, Members of the Committee:

I am pleased to appear before you today to present the United States Information Agency's authorization request for fiscal years 1990 and 1991. Our 1990 budget request totals \$949.2 million.

I look forward to continuing our dialogue today -- not only about the agency's budget but also about our challenges and opportunities at this time when the world is so poised for change.

In all regions of the world there is a strengthened yearning for freedom and democracy. Societies previously closed now speak of openness. We need to take advantage of these developments and engage the world in an expanded dialogue about the ideas which built and sustain our nation. In this pivotal time, we must do all we can to share the American vision.

USIA's valuable communication resources -- from exchange programs to exhibits to books and libraries to radio and television to our officers at post making personal contacts, will be committed to this goal.

I have had the opportunity to review USIA and its programs both at home and abroad, and I am impressed with how lean and efficient the organization is. But I pledge that I will work continuously to make USIA even more cost effective in everything it does.

I am a businessman and I understand your budgetary concerns. I share them. We can -- and will conserve resources while increasing productivity.

I believe the budget I am presenting is a prudent and realistic one. I urge you to give it your thoughtful consideration and support.

FY 1990 Budget

The 1990 request consists of \$860,245,000 for Agency operations, educational and cultural exchanges, radio broadcasting to Cuba, the East-West Center in Hawaii and the National Endowment for Democracy; and \$89,000,000 for VOA modernization under Radio Construction.

These total \$949,245,000 and, even though the sum represents a \$66,900,000 increase over FY 1989 appropriations, our program operations actually will be further reduced. Let me explain.

--A total increase of \$48.1 million pertains to changes in inter-agency cost allocation and in construction needs and does not involve program operations. Thus, some \$24.1 million will cover various administrative support activities for our overseas posts which were previously financed from appropriations to the Department of State. The Department's budget has been lowered commensurately.

Another \$24 million of the increase will be used to continue work on the two new VOA relay stations in Morocco and Thailand and lease payments for new transmitters in West Germany, the focus of our streamlined modernization program. The stations in Morocco and Thailand, which should be completed by 1992 and 1993 respectively, will greatly enhance our broadcasting capability. The balance of the change will address the following:

--Thirty-one million dollars is required to meet inflation and other built-in costs of our work here and around the world.

--Some \$4.6 million is needed for U.S. representation at the Seville Expo of 1992. I will say more about Seville in a few moments.

In order to accommodate these requirements, the Agency will have to make reductions totalling \$16.8 million. While these are still under discussion, our current thinking is that they will include the following:

-- a significant reduction in original programming by our Television and Film Service, giving that service the largest percentage cut in funds in 1990;

-- the replacement of the Voice of America's Greek and Turkish language broadcasting services with daily feed services, thus reducing the broadcasting schedule by 10 1/2 hours weekly;

-- the closing of the Voice of America's broadcast relay stations at Quesada and on Antigua (signals from other relay points will make up some of this loss);

-- the reduction in support and staff for overseas library and exchange programs;

- the elimination of 193 positions throughout the Agency;
- finally, other reductions include the closing of 3 of our posts overseas, as well as curtailment of certain mission programs and support activities.

These anticipated reductions follow program cuts between 1987 and 1989 totalling \$72.2 million in the Salaries and Expenses appropriation alone. While all Agency activities were affected, the greatest percentage reductions were applied to domestic operations in order to maintain our field activities to the maximum extent possible.

We understand that tight budgets are likely to be the rule in the near term, and we will continue to do the most we can with limited resources.

We hope to be able to move ahead with numerous program initiatives begun in the past few years. Some of these, such as the worldwide satellite delivery system, will also save us money.

We must bring about the modernization of the highest priority VOA relay stations.

And we will respond to the openings in the Soviet Union and Eastern Europe with increased exchange programs there.

I would now like to describe briefly some of the specific activities and programs USIA is currently undertaking.

Exchange Programs

Educational and cultural exchange programs are at the heart of the Agency's mission. Long before I came to USIA, I developed a belief in the importance of exchange programs through my own participation in them.

The Fulbright program, more than forty years after its founding, continues to provide unique opportunities for students and scholars from the United States and around the world to study, teach and learn about each other's cultures. USIA's International Visitor program as well as others, brings foreign leaders to this country for intensive professional and cultural orientation. Many of the participants have later assumed prominent roles in

journalism, academia, the arts, and government, including 99 current or former heads of state.

As Director of USIA, I will commit myself to the integrity of these exchange programs and will work vigorously to broaden their reach. They are one of the most important ways that USIA -- on behalf of the American people -- can contribute to world peace.

In the months ahead we look forward to continuing our high-level talks with the Soviet Union on a wide range of information issues. Last April, government, media and cultural officials from both countries met in Washington to discuss improving the flow of information. It was the first time the two countries agreed to hold discussions of this nature.

The second set of bilateral talks took place in Moscow in late September. Important U.S. concerns were raised including the need for greater media reciprocity, better access to Soviet media by U.S. officials, as well as the problem of continued Soviet disinformation.

We also anticipate a greater unfolding of our cultural and people-to-people relationship with the Soviet Union in the months ahead. This important initiative offers not only the possibility of increased understanding, but also a useful means to help us judge the measure of Soviet glasnost.

Information Programs

The 1980's have demonstrated that television is a vital and powerful part of our public diplomacy. On every continent, research shows that television -- because of its immediacy and effectiveness -- is rapidly becoming a primary source of information for most of the world's people. It is a means of communication with the world which our government cannot afford to be without.

In FY 1989, we will add full-time 24-hour satellite transponder service to the Western Pacific and American Republic areas. This transmission network serves the entire Agency and could have significant, cost-effective side benefits. Its capacities are being developed to provide for the transmission of other USIA informational materials, including VOA placement services, multiple languages for WORLDNET interactive programs, Wireless File text, and library research facsimile services.

We are eager to support our field operations by resuming transmission of appropriate non-interactive programs which were suspended at the end of FY 1988. At that time, as you know, our passive programming was taken off the air by mandate of Congress.

Our embassies throughout the world -- especially in Africa, Asia and Latin America -- have expressed their deep concern over the loss of what had become one of their most important program tools.

The Voice of America remains one of our most effective tools in reaching people throughout the world with America's story. I will work to ensure the integrity of VOA and to keep it on the road to modernization.

In its 47th year of broadcasting, VOA has a weekly audience of about 127 million regular listeners. For many of them the Voice remains their primary source of accurate, complete news about the United States and the world. We are seeking \$89 million for VOA's continuing modernization effort in FY 1990 and a sum of \$102 million in FY 1991.

VOA's Radio Marti Program to Cuba has been, without question, a tremendous success. A 1988 evaluation done by an independent consultant concluded: "There can be little doubt that Radio Marti is following its Congressional mandate. It is providing invaluable service to the people of Cuba by giving them a more complete and accurate picture of world events and an array of entertainment to make life more enjoyable."

The Administration is engaged in active planning and testing, as a preliminary to the creation of TV Marti. We will carefully review the inter-agency group's findings as soon as they are available with a view to getting this project moving. We believe that TV Marti will not only build on the success of Radio Marti, but will enhance America's commitment to the free flow of information.

A total of \$7.5 million was made available for TV Marti in our 1989 appropriation, the money having been taken from the VOA modernization program. Our legislative proposal before you includes \$16 million for each of the two authorization years under discussion.

Seville Exposition

As I mentioned earlier, our FY 1990 budget includes funds for a share of the costs of U.S. representation in the Columbus Quincentennial Exposition in Seville, Spain in 1992. Participation in the Seville expo is important to serve several U.S. interests. It will demonstrate to Spain the importance we attach to our bilateral relations. It will remind Europe that we have a binding past and future. And, it will demonstrate U.S. competitiveness through vigorous promotion of U.S. travel, tourism and trade -- something new in our presentations overseas.

Half of the approximately \$30-million cost of U.S. participation in the Seville Expo and related events will be met through non-Federal sources. The other \$15 million will be borne equally by USIA, the State Department and the Department of Commerce, through funds earmarked in each agency's FY 1990 budgets.

Conclusion

In conclusion, Mr. Chairman, I return to the hopeful signs of change in the world. We see political openings in the Soviet Union and Eastern Europe which were beyond our expectations a few short years ago. Country after country in our own hemisphere is embracing democracy. China and Eastern Europe are turning to free market practices. And throughout the globe, the information revolution has transformed the influence of public opinion. Our national interest compels us to seize this unprecedented opportunity.

And we must reach those still trapped by repressive governments -- with this country's message of truth and hope.

Our own future also depends on it.

Thank you. I will be pleased to answer any questions you have.

Mr. Peter Galbraith
Senate Committee on Foreign Relations
446 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Mr. Galbraith:

This letter responds to your request for information regarding CNN's international operations. We feel that the increasing availability of CNN throughout the world is an important part of our business, and that exposure to unbiased American journalism is an important goal in improved international relations.

Background

By way of brief background, and as you may know, CNN is a wholly owned subsidiary of Turner Broadcasting System, Inc. Established in July 1980, CNN is a 24-hour news and information television network distributed by satellite to cable television and home satellite dish subscribers throughout the U.S. and to a variety of distribution media throughout the world. CNN presently employs approximately 1600 people, maintains nine domestic news bureaus (Atlanta, Chicago, Dallas, Detroit, Los Angeles, Miami, New York, San Francisco and Washington), 11 international bureaus (Beijing, Cairo, Frankfurt, Jerusalem, London, Managua, Moscow, Nairobi, Paris, Rome and Tokyo), and has plans to open seven additional international bureaus in 1989 (Athens, Brussels, Geneva, Madrid, Manila, Seoul, and Santiago, Chile).

Gathering the news from these 20 odd bureaus and from a network of hundreds of international and domestic broadcast television affiliates, CNN is available to approximately 50 million television households in the U.S., representing 55.3 percent of all domestic U.S. television households. Headline News, a sister network to CNN, initiated service in the U.S. in 1982 and now reaches in excess of 37 million U.S. households. On average, more than 17 million American households watch CNN and 9 million watch Headline News, each week.

General Information

We estimate that at this point, CNN is received in 73 countries worldwide, representing approximately 140 million television sets, 137,000 hotel rooms, 2.2 million cable subscribers, and 1 million direct broadcast satellite (DBS) viewers. The Appendix attached sets forth the estimated viewership by country.

In addition to hotels, cable systems and broadcast households, CNN is also available to U.S. Embassies, foreign governments, private business networks, and foreign newspaper and television organizations for their use as a news source.

In certain areas, CNN is also apparently viewed on private home satellite dishes (TVROs). We know, for example, that the signal is receivable on approximately 2500 satellite dishes that have been installed by private citizens in apartment blocks and other users in Poland. We also understand that as many as 25,00 TVROs in Spain can also periodically receive the service. While we believe such use of the signal is widespread, we have no reliable data on its extent.

Hours of Operation

At present, countries in sub-Saharan Africa and the Middle East receive CNN via an agreement with the Armed Forces Radio and Television Service (AFRTS). AFRTS uses approximately 12 hours per day of CNN programming, interspersed throughout the day with sports events and other networks' programming. In exchange for the right to use CNN programming, AFRTS pays a small administrative fee, and allows CNN to authorize downlinking of the CNN material in countries covered by their satellite.

All other areas of the globe are serviced by a 24-hour signal.

Foreign Language Programming

CNN produces two Spanish-language half-hours daily, transmitted via the Spacenet II domestic satellite and PanAmSat covering South America.

Plans for Expansion

We are in the process of acquiring a transponder on an Indian Ocean satellite signal, so that we may augment or replace our AFETS arrangement with full 24-hour service for Africa, the Middle East and India.

We also hope at some time in the future to develop a French-language daily half-hour for use in Quebec, French-speaking Africa, and France.

In Europe, hotels are joining the CNN International network at a rate of about 25 hotels per month. We fully expect to be serving four million cable households by July of this year, and somewhere between six and seven million cable households by the end of 1989. In that there are approximately 14-15 million cable households at present in Europe, CNN expects to have approximately 50 percent penetration of all cable households by year end.

To illustrate anticipated growth, CNN has been approved for cable carriage and will be launched in the next few months in Zurich, Switzerland. Additional carriage in Bern and Geneva should follow. CNN has also been approved for carriage in the Wallonian portion of Belgium, where we expect to add approximately one million households within the next six months. CNN International is presently in negotiation with the German Bundespost for the carriage of CNN International in eight major cities of West Germany, representing approximately one million subscribers, and we anticipate initiation of service before the end of this year. We are also in negotiations with several cable companies in Israel.

Conclusion

We hope this information is useful to you. Please do not hesitate to contact me if we can be of any further assistance.

APPENDIX

EUROPE

Austria	Hotel	2,094 Rooms
Belgium	Cable	754,307 Subscribers
	Hotel	1,993 Rooms
Corsica	Hotel	30 Rooms
Cyprus	Hotel	130 Rooms
Denmark	Cable	158,936 Subscribers
	Hotel	874 Rooms
Finland	Cable	798 Subscribers
	Hotel	1,441 Rooms
France	Cable	18,226 Subscribers
	Hotel	10,584 Rooms
Germany	Cable	307,001 Subscribers
	Hotel	4,097 Rooms
Greece	Broadcast	1,698,970 TV Households
	Hotel	1,579 Rooms

EUROPE (continued)

Ireland	Cable	8,234 Subscribers
	Hotel	759 Rooms
Italy	Cable	39 Subscribers
	Hotel	3,234 Rooms
Luxembourg	Cable	20,000 Subscribers
	Hotel	482 Rooms
Malta	Hotel	30 Rooms
Monaco	Hotel	1,176 Rooms
Morocco	Hotel	220 Rooms
Netherlands	Cable	587,500 Subscribers
	Hotel	6,455 Rooms
Norway	Cable	143,236 Subscribers
	Hotel	3,278 Rooms
Portugal	Hotel	998 Rooms
Spain	Hotel	3,465 Rooms
Sweden	Cable	48,061 Subscribers
	Hotel	10,449 Rooms
Switzerland	Hotel	3,644 Rooms
Turkey	Hotel	1,049 Rooms
United Kingdom	Cable	36,923 Subscribers
	Hotel	9,324 Rooms

Subtotals, Europe

Broadcast	1,698,970 TV Sets
Cable or other	2,083,261 Subscribers
Hotel	63,920 Rooms

OTHER COUNTRIES

American Samoa	Broadcast	6,000 TV Sets
Anguilla	Cable	186 Subscribers
Antigua	Cable	5,500 Subscribers
Argentina	Broadcast	7,460,000 TV Sets
	Cable	2,000 Subscribers
	Hotel	1,600 Rooms

OTHER COUNTRIES (continued)

Aruba	Broadcast Hotel	18,000 TV Sets 590 Rooms
Australia	Broadcast	6,003,000 TV Sets
Bahamas	Broadcast Cable Hotel	50,000 TV Sets 5,175 Subscribers 4,036 Rooms
Barbados	Broadcast STV Hotel	51,000 TV Sets 1,000 Subscribers 260 Rooms
Bermuda	Broadcast Cable Hotel	66,000 TV Sets 986 Subscribers 1,467 Rooms
Bolivia	Broadcast	550,000 TV Sets
Bonaire	Cable	250 Subscribers
Brazil	Broadcast	24,608,000 TV Sets
Canada	Broadcast	12,480,000 TV Sets
Cape Verde	Broadcast	NOT REPORTED
Chile	Broadcast Cable	3,100,000 TV Sets 2,000 Subscribers
China (PRC)	Broadcast	9,700,000 TV Sets
Columbia	Broadcast Cable STV Hotel SMATV	4,995,000 TV Sets 13,700 Subscribers 500 Subscribers 104 Rooms 15,000 Subscribers
Costa Rica	Broadcast Cable STV Hotel	300,900 TV Sets 6,543 Subscribers 4,300 Subscribers 902 Rooms
Curaçao	Broadcast Hotel	40,000 TV Sets 979 Rooms
Dominica	Cable	2,900 Subscribers
Dominican Republic	Broadcast Cable Hotel	386,000 TV Sets 19,600 Subscribers 3,571 Rooms
Ecuador	Broadcast Cable STV	610,900 TV Sets 1,000 Subscribers 1,000 Subscribers
El Salvador	Broadcast Hotel	300,000 TV Sets 300 Rooms
Gambia	Hotel	1,400 Rooms

OTHER COUNTRIES (continued)

Ghana	Broadcast	110,000 TV Sets
	Hotel	200 Rooms
Grand Cayman	Hotel	236 Rooms
Guam	Broadcast	23,000 TV Sets
Guatemala	Broadcast	200,000 TV Sets
	Cable	2,700 Subscribers
	Hotel	1,100 Rooms
Haiti	Broadcast	20,000 TV Sets
	Cable	10,000 Subscribers
Honduras	Broadcast	50,000 TV Sets
	Cable	2,150 Subscribers
	Hotel	200 Rooms
Hong Kong	Broadcast	1,240,000 TV Sets
Jamaica	Hotel	315 Rooms
Japan	Broadcast	30,200,000 TV Sets
	Cable	9,880 Subscribers
	Hotel	40,223 Rooms
	DBS	1,000,000 Subscribers
Korea (South)	Broadcast	7,610,000 TV Sets
Liberia	Broadcast	35,000 TV Sets
Mexico	Broadcast	12,410,000 TV Sets
	Cable	10,000 Subscribers
	Hotel	7,342 Rooms
Montserrat	Cable	300 Subscribers
Nevis	Cable	225 Subscribers
Nigeria	Broadcast	459,000 TV Sets
Panama	Broadcast	480,000 TV Sets
	Cable	13,500 Subscribers
	Hotel	689 Rooms
Peru	Broadcast	2,431,000 TV Sets
St. Kitts	Cable	2,900 Subscribers

OTHER COUNTRIES (continued)

St. Lucia	Cable	600 Subscribers
St. Maarten	Broadcast	5,000 TV Sets
	Hotel	1,385 Rooms
	Condos	87 Units
Taiwan (ROC)	Broadcast	7,853,000 TV Sets
Thailand	Hotel	2,326 Rooms
Trinidad/Tobago	Broadcast	300,000 TV Sets
	Hotel	235 Rooms
Uruguay	Broadcast	834,000 TV Sets
Venezuela	Broadcast	3,000,000 TV Sets
	STV	2,000 Subscribers
	Hotel	3,551 Rooms
Zimbabwe	Broadcast	100,000 TV Sets

Subtotals, Other Countries

Broadcast	138,084,800 TV Sets
Cable	135,982 Subscribers
Hotel	73,011 Rooms
DBS	1,000,000 Subscribers

TOTALS

Broadcast	139,783,770 TV Sets
Cable or other	2,219,243 Subscribers
Hotel	136,931 Rooms
DBS	1,000,000 Subscribers

The CHAIRMAN. Thank you very much indeed, and I must say I completely concur in your view about the value of the exchange programs. I remember introducing legislation to increase the program tenfold some years ago. It did not get very far, but we increased it threefold at that point.

And I have never seen a person go to our country and come back more anti-American than when he left. Usually he is a lot less anti-American.

What specific cuts, Mr. Gelb, does the administration propose for USIA to meet the targets for the foreign affairs functions agreed to at the budget summit?

Mr. GELB. We have a very tough problem, Mr. Chairman, as I am sure you know. And again I would say, having been overseas and talking to a lot of our posts, it makes it even tougher.

The conclusion that I drew, very frankly, was I have not found anything that the USIA does that is a waste of the taxpayers' money, down to the books that are given away, to the work that we do—

The CHAIRMAN. Excuse me, I am not saying what is a waste. I think everything it does is excellent. But where would you make the cuts that are required?

Mr. GELB. Well, we do not plan to eliminate entire programs. What we have had to do is the difficult job of being selective.

Let me start off with the private sector program as an example. We have less flexibility in the discretionary kinds of programs. That would mean that we can do less of what we think is important.

But we have decided that the core programs would basically be maintained, in some cases slightly strengthened, but in most cases barely able to stay even with inflation. In terms of the programs that we see that have been very effective—we have increased our effort behind the National Endowment for Democracy, an organization that covers all political spectrums. In Nicaragua when La Prensa was finally allowed to start publishing again, it was the National Endowment for Democracy that provided them with the ink and the paper to make that permission a viable thing; gave them the actual tools with which to publish a newspaper.

On the issue of where do we have Voice of America coverage, for example, we have to make some very tough decisions, some tough choices. And we have prioritized those choices in a way that we can deliver our message in a different way and save money. We are going to try to do that.

One example is at that point we are looking at how to cut back the typical Voice of America programming in Greece, but still deliver our message by using local radio stations. That has been the approach we have taken—to cut a little here and to cut a little there, rather than make any major wholesale cuts.

The CHAIRMAN. Then we will leave it that you will furnish us with some prioritizing on your part, because the budget you have been talking about I think has been the existing budget, but we have to get the budget that will follow from the budget agreement, summit agreement. And there are going to have to be some very sharp and unpleasant, and necessary though, cuts.

[The information referred to follows:]

The attached chart is based on a straight-line budget, as projected by the committee. The administration's own figure, conforming to the bipartisan budget agreement do not project a straight-line, rather they include the sum of \$949 million for USIA predicated on the absorption of TV Marti costs. The freeze level of \$906 million reflects the 1989 level of \$882.4 million plus transfer of funding for administrative activities previously financed by the Department of State. You will see that the proposed cuts are primarily in the area of radio construction.

United States Information Agency
1990 Budget
Comparison of Agency Request, House Mark, SFRC Mark and USIA Appeal

	USIA Request	House Mark (HR 1487)	SFRC Mark	USIA Appeal	Freeze Level a/	Change from USIA Appeal	SFRC Mark Freeze
Salaries and Expenses (includes OIG - Section 201).....	415,990	428,290	405,000 b/	415,990	415,990	10,990	10,990
Voice of America (Section 202)							
Salaries and Expenses.....	170,235	170,235	167,712 c/	170,235	170,235	2,523	2,523
Radio Construction.....	49,000	65,000	22,000	73,000	12,511	51,000	10,511
Radio Broadcasting to Cuba.....	12,700	12,700	12,000	12,700	12,700	700	700
Subtotal, VOA.....	231,935	247,935	201,712	255,935	215,446	54,223	13,734
Educational and Cultural Exchanges (Section 203)							
From the Salaries and Expenses Appropriation:							
Arts Africa.....	4,649	4,649	10,000	5,149	4,649	4,851	5,351
Other.....	31,571	31,571	27,550 d/	32,071	31,571	4,521	4,021
Subtotal, Salaries and Expenses Portion.....	36,220	36,220	37,550	37,220	36,220	-130	-1,330
From the Ed. and Cultural Exchange Programs Appropriation:							
Academic Exchanges:							
Sachs-Schiff Program.....	2,000	2,000	2,000	2,000	2,000	0	0
All Other Academic Exchanges.....	93,238	92,902	98,000	93,238	93,238	-4,762	-4,762
Subtotal, Academic Exchanges.....	95,238	94,902	100,000	95,238	95,238	-4,762	-4,762
International Visitor Exchanges.....	41,817	41,669	40,400	41,817	41,817	2,417	2,417
Hubert H. Humphrey Fellowships.....	5,195	5,197	5,500	5,195	5,195	-305	-305
Congress-Bundestag Exchanges.....	2,500	2,493	2,500 e/	2,500	2,500	0	0
Institute for Representative Government.....	0	540	0	0	0	0	0
Private Sector Programs.....	8,250	8,221	11,400 f/	8,250	8,250	-3,550	-3,650
Subtotal, Educational and Cultural Exch. Portion.....	153,000	153,000	160,300	153,000	153,000	-7,300	-7,300
Subtotal, All Exchanges (Section 203).....	189,220	189,220	197,850	189,220	189,220	-7,530	-8,630
National Endowment for Democracy (Section 204).....	15,800	15,000	21,800	17,000	15,800	-4,800	-4,000
East-West Center (Section 205).....	20,000	20,000	20,000	20,000	20,000	0	0
Television and Film Service (Section 212).....	36,300	31,000	10,000	34,000	34,000	14,000	14,000
Television Broadcasting to Cuba:							
Operating Expenses.....	0	16,000	16,000 g/	16,000	16,000	0	0
Compensation Claims.....	0	5,000	0	0	0	0	0
Total, USIA.....	849,245	860,445	882,362	849,245	806,456	66,883	24,094
RECAP:							
Operating Programs:							
Salaries and Expenses (includes OIG).....	658,745	663,745	630,262	657,445	656,445	27,183	26,183
TV Marti.....	0	21,000	16,000	16,000	16,000	0	0
Exchanges, NED, Marti Programs, EMC.....	201,500	210,700	234,100	202,800	201,500	-11,300	-12,600
Subtotal, Operating Programs.....	860,245	895,445	860,362	876,245	873,945	15,883	13,583
Capital Program (Radio Construction).....	89,000	65,000	22,000	73,000	32,511	51,000	10,511
TOTAL, USIA.....	849,245	860,445	882,362	849,245	806,456	66,883	24,094

a/ Reflects 1989 level of \$882.4 million plus transfer of funding for administrative activities previously financed by the Department of State (\$24.1 M).

b/ Eliminates funding for the 1992 Columbus Quincentennial Exhibition in Seville, Spain.

c/ Eliminates funding for VOA Europe (\$2,523,000).

d/ Eliminates \$150,000 for the library collection at the Iorinsky Memorial Library in Jakarta, Indonesia.

e/ This was not an SFRC markup - the \$2,500,000 represents the Agency's request.

f/ The SFRC bill removes this office - The Office of Citizen Exchanges.

g/ The Administration has forwarded legislation that would authorize this project, but no additional funding was requested.

The CHAIRMAN. Coming to my next question, as I mentioned in my opening remarks, I am concerned that the ratio of people at home and abroad is going in the wrong direction. Ten years ago it was 3-to-1 at home. Now it is 4-to-1 at home. And in my view it

should be absolutely reversed. It would seem to me what you would want is a small group of people at home, a core, and have our people around the world where they should be.

To my mind it is absolutely wrong that you have a 4-to-1 ratio, in other words four Americans working in Washington for every single American who is on the front lines around the world. If an army was run that way, it would be very depressing.

Mr. GELB. Mr. Chairman, let me just say that I am supported here by some of the great brains of the USIA, several of whom I am sure you have seen over the years, specifically Mr. Stanley Silverman. So, if you see paper going back and forth, you will understand that whatever I do not know about the Agency, which is a lot at this point, is being supplemented very, very actively.

The CHAIRMAN. This is not a new problem. We have raised it before.

Mr. GELB. OK. I am informed that we will be dropping 116 domestic positions in the forthcoming year. And those cuts are in the United States.

I might mention, however, that when I came back from my trip I developed a new way of looking at the USIS, and it is a military way of looking at it. In an army, a very small number of men are actually in combat. A very large number of men provide the infrastructure which enables them to have the guns, the tanks, the bread, the food, uniforms, et cetera.

I think I look at our Foreign Service men and women overseas as combat troops. That is what they do every day. They are in contact, they are doing the job. And the support that they get is really absolutely crucial.

I might mention two particular areas that have shown a growth in the United States. One is growth, thanks to what you and this committee have done, in the amount of money for the Fulbright exchange programs. We had to increase the number of staff to handle these exchanges. That is one area.

The second area is the Radio Marti program. When Radio Marti went on the air a lot of people were hired, all of whom were located in the United States.

No one is more concerned about our people overseas, especially now that I see what they do, than I am. Our Foreign Service nationals are doing a job. They are very important.

I have your message. We will be looking at that very closely.

The CHAIRMAN. Let it be noted that I was not talking about Foreign Service nationals. I was saying four times as many Americans sitting in Washington as the quantity who are sitting around or working around the rest of the world. And that ratio I do not think the general public is aware of, and I think if they were there would be a sense of shock that that proportion would exist to that extent.

Another question. You are a supporter of TV Marti, which I am not, I would add. But where do you propose the committee take the \$16 million to fund TV Marti?

Mr. GELB. Although currently included by the administration in our budget, my hope is that that \$16 million for TV Marti is going to be found from somewhere outside of the USIA budget. I know that discussions are taking place right now to take the lion's share of that—hopefully all of it—from another source.

As I have said this process is underway. I cannot give you the exact nature of how it is going to be funded. But I have had meetings with the OMB on it and I know we are working together on the problem.

The CHAIRMAN. Where do you see the force for this project coming from? I realize it has got the full support of you and Secretary Baker and the President, but I also detect a certain unease in some of your lower echelons. Where is the actual political push coming from?

Is it coming from Miami or is it coming from——

Mr. GELB. For TV Marti?

The CHAIRMAN. Yes.

Mr. GELB. I would say that it really comes from me, Mr. Chairman. I feel strongly that we have seen the success of Radio Marti in bringing accurate news about Cuba to Cubans in their country. It has been terribly helpful that the freedom-loving people of Cuba who come to this country can make great contributions to our domestic life, economically and in every other way as well as being available to help with broadcasting to Cuba. If that can be done with radio then I believe that the people of Cuba should have access to the most powerful communications tool. I think that is something that is good for Cuba and it is good for the United States at the same time.

So, really, it starts at the USIA with me. My understanding, it is something that is supported by the President, and naturally, if it is supported by the President, I am right there with him.

The CHAIRMAN. As you probably know, you can receive regular American TV in Havana. When I was in Havana a few weeks ago, I saw a football game just turning on the regular TV. You do not need to have a special program to get American TV.

My time has expired. We will have a second round. Senator Helms.

Senator HELMS. Well, I am not sure that the American TV would put across the American message, commercial. I would not rely on NBC, CBS, or ABC to take the message of freedom to Cuba.

You look at some of the newscasts and you wonder which side they are on. So, I think you do it your way, Mr. Director.

I do not know whether you know this or not, but I was in the broadcast business before I came to the Senate. I was executive vice president of a company that operated a television station and a couple of radio stations and three different radio regional networks.

And because of my capacity, I am sure they just looked down the list, the USIA invited me to become a member of the advisory committee, and they had a big 1-day foofah up here, a luncheon and a quick tour of the facilities, at which time they described the inadequacy of the equipment and that sort of thing.

But you know, there is a party pooper in every crowd, and I said: "Well, I want to know what you are broadcasting." And they said: "Fine, we are broadcasting," and so forth. I said: "No, I would like for you to pull out your newscast." And I looked back for 10 days and got the date, I said, "For May 4," or whatever it was.

And they said: "Well, that might be difficult." And I said: "Well, how long will it take you?" Well, ultimately they got out the news-

cast, and I invited the other folks to sit around the table and we looked at them. And I am telling you, at that time the U.S. Information Agency was not on the side of the United States of America.

Let me make myself clear. I believe in giving both sides in our transmissions on the Voice of America, et cetera. But I do not think it ought to be weighted against the United States. Make it fair, make it accurate make it honest, but do not weight it to the other side.

Now, my question is, you are going to be particularly attentive that the bias, to the extent possible, is kept out of our newscasts fed overseas; is that right?

Mr. GELB. Absolutely.

Senator HELMS. You agree with me that both sides ought to be given, but the side of the United States of America ought to be emphasized as well as anybody else's?

Mr. GELB. I agree with virtually every word that you have said, Senator.

Senator HELMS. Thank you, sir.

I would say to the young people back there, do not let us confuse you any more than we are confused ourselves. What we have is a difficult time sometimes getting a quorum for this committee. And that is not unique around this place, because Senators belong to three or four committees, any four of which could be meeting at the same time.

So, I will proceed. I think you will probably agree that there has been an unprecedented propaganda offensive by the Soviet Union in the past few years, and all of us who are blessed with living in this land of freedom must pray that there is at least a kernel of substance in the torrent of rhetoric that we are hearing.

Is the USIA prepared to offer America as a positive alternative, as well as to point out whatever gaps that may occur between myth and reality in what we are hearing out of the Soviet Union?

Mr. GELB. Senator, I think there are three things I would like to use to highlight what we are doing that are responsive to your points.

Let us take the last one first, which has to do with the Soviet propaganda offensive. We in the Agency characterize this, a lot of it, as disinformation, and some of the things that have come out of the Soviet disinformation activity have been about as reprehensible as anything I have ever heard of in my life.

I almost do not even want to mention them at a hearing, but I am going to mention them just for the record. The claim, for example, that the United States has developed a special kind of virus which only works—

Senator HELMS. Yes.

Mr. GELB. You know that particular claim.

The body parts scandal, that we import little children from South America to use their organs for our people in a medical way—the most vile thing that I have personally ever heard of.

There have been statements that have been made that it was the United States that was responsible for the death of Prime Minister Palme, and I have actually seen the books that the Soviets have put out trying to pinpoint this.

The encouraging thing is that the USIA has taken a very definite lead, has brought the Soviets to the negotiating table, and has gotten them to recognize that this is not a way a country trying to get some kind of respectability is supposed to act.

We are seeing less of that in recent months, although we keep watching for it all the time.

No. 2, the Voice of America, which everyone in this country knows about and certainly the Congress generally feels very supportive of, has two aspects to it. Telling the news about the United States, the whole truth, the unvarnished truth, the good and the bad parts of the United States in full measure is just part of what the Voice does.

The other part of what the Voice does, living up to the charter that it has and the responsibility that it has, we have clearly identified moments where we run editorials that reflect the position of the U.S. Government. These editorials are persuasive to the listeners because of the factual support for the U.S. position.

I cannot speak for the past, Senator, but your objectives of getting a balanced picture of the United States across to the world is being done on Voice of America. My hope is that we will be able to do even more of it on television if we convince this committee to remove some of those hobbles.

Senator HELMS. That is fair enough, and I certainly offer you my support in that regard.

I mentioned the little visit up here some years ago. We got out those newscasts and they were not fair, they were not fair to the United States.

I remember reading—if I had been in France, a native living in France or Germany or the Soviet Union or China or whatever, hearing that newscast I would have thought the whole United States was burning down and that this was a corrupt country, that we were oppressing everybody in sight.

Now, the little nuances were just flagrant. And that is the thing I want you to watch. Now, I want to give both sides, from their point of view, what is happening over there and what is happening over here. But I certainly do not want the taxpayers' money used to run down the United States of America unjustifiably.

Now, I am concerned, as everybody else is, about what is happening within the borders of the Soviet Union. I assume that you are going to emphasize your efforts to find out what the truth is inside the Soviet Union and let it all hang out, as the saying goes, one side and the other. You are going to do that, are you not?

Mr. GELB. We are doing it right now.

Senator HELMS. What steps has the USIA taken or does it contemplate taking in Central America in what we call the public diplomacy area?

Mr. GELB. Did you say in South America?

Senator HELMS. Central America.

Mr. GELB. Central America.

Senator HELMS. Yes, sir.

Mr. GELB. I think the effort that we are making in Central America is—

Senator HELMS. Let me give you an example. Maybe that will help. I know the question is so general that I could see that you were struggling, saying, how shall I answer that thing.

What are we doing about the Panama elections; for example?

Mr. GELB. Well, what we are basically doing at the USIA is to make sure that the people of Panama have complete information on what is going on in Panama, what our positions are relative to the right to free elections, to make it very clear where we stand on abuses of civil rights or human rights, and that we are not willing to accept anything less than a freely selected government.

All of this is in the area of information and the contacts that our local people have in the community. We do not have a special initiative for Panama any more than we do for really any other country. We do the same thing.

And it may be too general an answer for you.

Senator HELMS. Well, I understand that, but Panama is the only one that has got an election next week. That is the reason I specified that one.

By the way, Mr. Chairman, I saw a cartoon in one of the papers. I read 8 or 10 newspapers a day. And it had a Panamanian newscaster at the microphone and he said: "We interrupt this program for the latest returns on next week's election."

With respect to the National Endowment for Democracy, a lot of us are concerned about the appearance—and I hope it is only an appearance, in foreign countries that the United States is contributing money to influence the elections in allied countries.

We had quite a set-to, as we say in North Carolina, some years back when we found out that the CIA had poured \$2 million into one side in the Salvadoran election. They first denied it at the time I made the charge, which I knew was true, and later they confirmed it. And I have gotten a pretty good assurance from Jim Baker we are not going to do that again.

What would be your reaction to making clear that the National Endowment for Democracy cannot, may not contribute to political parties during an election year in an allied country, or whatever? Would you agree with that?

Mr. GELB. USIA does not make any contributions to any political parties. What we do is to make grants available to help a process.

As for the National Endowment for Democracy, I'm sure NED could provide details of their programs. While I believe NED is a very worthwhile, successful organization, I do not have details of their programs.

Senator HELMS. Great.

My time is up, Mr. Chairman.

The CHAIRMAN. How does USIA's level of support for the arts compare to that of other industrial nations, including Great Britain and France and, always that great exception, Austria?

Mr. GELB. Well, I do not keep a running box score, Mr. Chairman. But I can give you one answer that might be interesting. I happened to attend a WORLDNET interactive to Europe where Ralph Davison of the Kennedy Center was the guest. The subject was how does the United States do such a fantastic job of mobilizing the private sector on behalf of art and culture generally.

He had with him an assistant who went through some of the nuts and bolts. We have a view of what we do as kind of like the farmer who throws seeds into the ground and those seeds take root. The seeds are the ones that start private sector organizations and then generate a momentum and a life of their own.

I think what we do is very helpful. I would always—and I would say this about virtually any part of our operation—like to do more. But I think in terms of the net result of what we do, when you add up the private sector effort, I think we are very competitive.

The CHAIRMAN. I thank you. I think it might be interesting if you could submit for the record a table showing the government expenditures of the other developed nations in the field of the arts and culture compared with our own expenditures in that line.

Mr. GELB. I will see if we cannot do that.

The CHAIRMAN. That table would be of interest. If you cannot do it, we will get the Library of Congress to do it. But I think you have more of a vested interest in this.

Mr. GELB. I will ask our people to put one of those together.

[The information referred to follows:]

ARTS PROGRAMMING

Question. USIA is requesting \$4.6 million to support all arts programming in fiscal year 1990. How does this compare to the level of support given to these kinds of cultural activities by other industrial nations including Britain, France, and Italy? Would a low level of support for the arts be indicative of a belief by USIA that the United States has less to contribute than these other countries?

Answer. It is difficult to obtain figures for international arts programs sponsored by foreign governments. We are aware that other governments spend more. In a 1986 report by a former director of the Arts America Program, it was noted that "France, West Germany, and Great Britain—and a number of other countries much smaller than ours—all commit much more in public resources to exporting their artists than the United States. Even the Soviet Union outspends us by a wide margin."

We have found statistics (source uncredited) indicating that arts-related foreign programming totals about \$4 million for Canada, \$7 million for Great Britain, and \$20 million for Japan. However, most available statistics do not distinguish between arts presentation and other activities such as language teaching and media programs. It has been estimated that the Soviet Union spends about \$2 billion on overseas cultural, educational, and information programs.

According to a 1983 report by USIA's Office of Research, the French Government spends an estimated \$1 billion on external information and cultural relations programs; German \$768.4 million; the U.K. \$386.1 million; and Japan \$262.9 million. It was estimated that Germany spent 23 percent of their funds on "cultural activities" (exchanges, information, centers, and radio were the other categories); and the U.K. 1 percent for cultural activities (a lower figure than the unsourced estimate above). The British were reported to have sponsored over 300 cultural presentations in 1979-80 (latest figure available in the report). For Japan the estimate was 6 percent for cultural programs.

It should be noted that the U.S. private sector is more active in this area than is the case in many other countries. The tradition of private sector contributions as well as volunteer activities and fundraising on behalf of the arts are also far stronger here than in most if not all other countries. We rely on the private sector to carry out both for-profit and not-for-profit international arts programs to an extent that other countries cannot. Strong private sector involvement provides a vitality, excitement, and diversity that a more centralized government system might lack.

Clearly USIA does not believe that American art is less worthy of international exposure than that of other countries. The United States is a world center of the arts and Americans are in the vanguard of every art form, including music, dance, theater, visual arts, and literature.

We are well aware of the small size of the Arts America Program. Budget limitations have prevented us from expanding the program even to keep pace with infla-

tion. We would welcome additional funding for the Agency which would allow for measured increases in these activities.

The CHAIRMAN. Thank you very much indeed.

Going back to TV Marti for a moment, I am going to insert some questions in the record, which I hope you will give written replies to.

Also, the National Association of Broadcasters, NAB, shares my concerns regarding the interference and international law problems with TV Marti, supports my efforts to modify the bill, and I would like to insert at this point in the record, without objection, a letter from NAB President Edward Fritts which reflects the concerns of the broadcasters with TV Marti and the NAB's support of the revisions that will be in all likelihood put forward.

[The information referred to follows:]

NATIONAL ASSOCIATION OF BROADCASTERS,
Washington, DC, May 4, 1989.

The Honorable CLAIBORNE PELL,
Chairman, Senate Foreign Relations Committee, 446 Senate Dirksen Office Building, Washington, DC 20510

DEAR MR. CHAIRMAN: When the Senate Foreign Relations Committee takes up S. 809, the USIA authorization bill, I understand that you intend to offer amendments to the provisions which authorize funding for TV Marti.

The National Association of Broadcasters has taken no position on the foreign policy goals of TV Marti. As you know, however, we are very concerned that the proposed TV Marti program may cause direct interference with U.S. television stations in the region, as well as provoke Cuba to retaliate against the United States by causing interference to domestic broadcasting, especially on AM radio frequencies.

As I understand the substance of your proposed amendments, the Federal Communications Commission would be able to prevent TV Marti from becoming fully operational if it determines that TV Marti will cause objectionable interference to U.S. stations. If TV Marti goes on the air, the FCC also would be able to shut down its operations if it is causing such interference. We strongly support these amendments, which will help prevent TV Marti from directly harming U.S. stations and the public they serve.

I understand you also will offer language to ensure that TV Marti will not be contrary to any treaties to which the United States is a party, or other international laws. NAB strongly supports this amendment, as well. We believe that TV Marti raises serious concerns for international broadcasting law, which have not yet received adequate study.

Finally, I understand that you do not intend to include language to authorize compensation for U.S. stations that are harmed by Cuban retaliation. H.R. 1487, the recently passed House USIA authorization bill, contains such provisions. NAB believes the threat of Cuban retaliation is very real, and we strongly urge you to support compensation provisions.

On behalf of NAB, I appreciate all of your assistance on this important issue. Your amendments will provide significant protections for U.S. stations and their communities. If compensation language is included, these protections will be substantially strengthened. I look forward to working closely with you as this bill moves forward.

Kindest regards,

EDWARD O. FRITTS.

The CHAIRMAN. In connection with the question of academic freedom, has the USIA ever attempted to deny a Fulbright scholar a grant because the grantee disagreed or protested against U.S. policy? If you do not want to answer this in the record off the top of your head—

Mr. GELB. Not to my knowledge, Mr. Chairman.

The CHAIRMAN. Well, I think as you dig into it you may find it has occurred. That is why I was going to suggest you may not want

to answer this from the top of your head, but submit a written answer.

Mr. GELB. I will make sure that a written answer is submitted. [The information referred to follows:]

ACADEMIC FREEDOM

Question. Has USIA ever attempted to deny a Fulbright scholar a grant because the grantee disagreed or protested against U.S. policy? If so, what were the circumstances?

Answer. USIA makes no attempt to determine the political convictions of grant applicants, nor does it award or deny Fulbright grants on this basis. The Agency respects the right of grantees to exercise the academic freedom which is at the heart of American academic life.

There are occasionally cases in which grantees or prospective grantees feel that their academic freedom has been challenged and voice their concerns. Only one such case in the last 5 years has been debated publicly. Dr. Carol Thompson of the University of Southern California charged that the Agency attempted to restrict her academic freedom and freedom of speech when it criticized her for taking a leading role in an anti-American demonstration in Harare, Zimbabwe, in the aftermath of the 1986 U.S. bombing raid on Libya.

In a private and then a public exchange of views (the latter initiated by Dr. Thompson), the Agency and the Board of Foreign Scholarships criticized Dr. Thompson for acting at a time of high international tension in a manner which endangered U.S. Embassy employees in Zimbabwe and drew into the political arena a program which has been characterized since its inception as nonpolitical. No challenge was made to Dr. Thompson's right to her views. Her grant was neither denied nor terminated, though it might have been under the terms of award she signed. Her leading of the chanting of anti-American slogans from the gate of the U.S. Embassy in Harare, as reported in the local press, at a demonstration which resulted in the closing of the Embassy to secure the safety of employees, violation of Embassy grounds, and the burning of the U.S. flag by pro-Libyan demonstrators, did, in our view, indicate deficient judgment on the part of Dr. Thompson. The Thompson case has been aired fully in the journal *Academe*, within the African Studies Association, and in the *Chronicle of Higher Education*.

Recently, in letters addressed to USIA, the Board of Foreign Scholarships, and the Congress, but not yet aired in public, Dr. Bruce Lane, a part-time teacher and commercial filmmaker from New Mexico, has accused the Agency and the Board of Foreign Scholarships of denying him a grant to teach in Guatemala for political reasons. Dr. Lane's application revealed only limited recent teaching experience and deficiencies in class and curriculum preparation during this experience (spelled out in confidential recommendation forms submitted by persons of Dr. Lane's choosing). Dr. Lane's application to teach was turned down because of these deficiencies, and he was notified of his nonselection by the Board of Foreign Scholarships on February 14, 1989.

The CHAIRMAN. My understanding is several instances have occurred. I hope I am wrong.

Those are the only questions I have. I will turn to Senator Lugar.

Senator LUGAR. Thank you very much, Mr. Chairman.

Mr. Chairman, let me say that I have read the testimony that was to be presented today by Mr. Gelb and it is certainly consistent with the testimony he gave during his confirmation hearing on USIA priorities.

I think your own query that these priorities would need to be clearly stated, given the money problems, is certainly well taken, and the plan that you have outlined seems to me to be a good one. I suspect that all the members of the committee will have to wrestle with the realities of the budget resolution and the parameters that we have.

But I appreciate the thoughtfulness that you and your staff have given to this very important task, and clearly the basic missions of

USIA would apparently be likely to continue and in the strongest shape as possible.

Mr. GELB. We certainly hope so, sir.

Senator LUGAR. I would add once again, as I did during the hearing, my own enthusiasm for the WORLDNET enterprise. I know that you share that and I am hopeful that that facility, which I think is remarkable in terms of our worldwide communication, will continue to thrive and perhaps do better than it has in the past.

Mr. GELB. I will do everything I can to make sure that it happens and I hope that the committee decides to remove the hobbles that will make it easier for us.

Senator LUGAR. Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Senator Pressler.

Senator PRESSLER. Thank you very much.

Mr. Gelb, I would like to ask a line of questions, if I may, about WORLDNET. I feel very strongly about this. I have been very patient in waiting to see whether WORLDNET would get back on the air.

I know that the restrictions on this program resulted from the Senate side. I know there are people in this room who felt strongly about that. I am one who believes in WORLDNET very much. When I visited Egypt last Christmas the people there at the grass-roots said that the programs were taken down from WORLDNET and used almost on a daily basis by many of the television stations.

I have found this to be true in many parts of the world. I have talked with many ambassadors and foreign officials about the WORLDNET noninteractive television programs. Without exception, they have endorsed WORLDNET enthusiastically.

The House of Representatives has approved restoring this programming service. For the past year, WORLDNET interactive programming has been held hostage to Senate amendments that are clearly designed to prevent such programming. In other words, the current restrictions on this program result from the Senate side.

Yet I know several members of this committee on both sides of the aisle who are very interested in this issue. We have been patient on this issue, hoping something could be worked out.

But it appears that they plan to continue stonewalling this issue. This disturbs me and other members of this committee.

My question then is directed first of all to Mr. Gelb, and I might have the attention of the chairman because I know he has felt strongly about this, and the chairman is one of my best friends in the Senate, so we rarely disagree on any issues. But this one, I think we have a genuine gentleman's disagreement.

But I would like to ask, Mr. Gelb, in your judgment why is WORLDNET noninteractive programming so important?

Mr. GELB. Why is the WORLDNET program so important?

Senator PRESSLER. Yes, or do you think it is important?

Mr. GELB. Prior to your arrival this morning, Senator Pressler, I shared with the chairman a 1-hour discussion that I had with Egyptian President Mubarak. I think we both had exactly the same experience, because I was told by President Mubarak to quote him

directly at this committee. He asked to be given back a full WORLDNET. He really was an enthusiastic partisan for it.

My belief in WORLDNET is not very original—it just hinges on the fact that the most powerful communications tool that has been developed in the last 50 years, bar none, is television.

We have done a wonderful job around the world with radio. We know that sound communication works. We also know that sound plus pictures creates a much stronger idea, is far more persuasive, is far more action-oriented than radio alone.

I see an opportunity. I can understand people who might have had questions and may have been responsible for making this initial move to hobble WORLDNET. There are plenty of reasons that right-thinking people can have disagreements.

But my view is I do not want to waste money. I certainly do not want to waste the taxpayers' money. I want effectiveness for the USIA in meeting its objectives and its charter.

I believe that with sound practices, with testing, with experimentation, we can make WORLDNET far more than an interactive media. We can make it one of the greatest forces for good in the world.

I would like to be given an opportunity to do that, and it only requires removing the hobbles that were put on last October.

Senator PRESSLER. Well, in my judgment we do this with Radio Free Europe, Voice of America, Radio Free Liberty. It seems to me that we need to keep pace with modern technology in communicating the American message abroad.

Now, what is the basis for the 2 million European viewership standard that has been used to cut off WORLDNET's passive programming?

Mr. GELB. I cannot rationalize that particular number, and I think probably what was the biggest mistake for both sides, both the committee and for the USIA, was to engage in a numbers contest.

The issue of television in my judgment is not how many millions of people you can get to sell another package of soap, but how to reach the influential people of a country with the ideas, the seminal ideas that can change the direction of a country, that can provide hope, that can provide leadership, that can provide information on which countries around this world, especially countries in the Third World, depend.

This is the essence of what we have, and it is something that should not be denied.

Senator PRESSLER. Well, I very strongly support the WORLDNET concept. I have talked to several WORLDNET employees and I am going to do everything I can on this committee to get it going again and to clear up the problems.

I am certainly not seeking an argument here with my chairman at this point, but it is something that we should be in my judgment moving forward.

Have we done any of this in Panama? If we have not, why not?

Mr. GELB. By law, we are currently only able to transmit interactive programs and programs that have not cost the United States any money. Attorney General Thornburgh has been on a WORLDNET interactive. I was there when he was discussing the drug

problem. Senator D'Amato has participated in a WORLDNET to Latin America on drugs.

Obviously, drugs is an issue for Panama. In the last 2 weeks while I have been out of the country, I'm sure there have been other interactives to Latin America as well.

But Panama is part of what we consider the central and southern part of America, and we have programs on virtually every issue that is important to the United States and to the movement ahead toward freedom. And Panama right now is not a free country.

Senator PRESSLER. Yes, and I do apologize for missing your earlier comments. I was in another committee, then I spoke on the Senate floor, then I was in a meeting with Prime Minister Mulroney. So, we are forced to spread our time around here.

But I will read your earlier remarks very carefully. Thank you. The CHAIRMAN. Thank you very much.

I would very gently point out that the Burke Inter View Co., which is a private well-respected pollster, measured the effectiveness of WORLDNET. The WORLDNET claim was that 20 million people were viewing it, but when they analyzed it it developed it was 200,000 were viewing it, which is not very many when you consider the population of the world.

In addition to that, CNN is doing this on a competitive basis now. I think it is getting close—I do not want to give a wild guess—in about 70 countries, and they have about—some millions, let me leave it that way, of viewers.

As a general rule, if you can find private capital or a private initiative to do something, it is better to have it done privately than done publicly. And this is at a point I would think the administration would be delighted to help CNN, but not compete, build a competing organization.

I am curious what your reaction would be to that thought, Mr. Gelb.

Mr. GELB. Well, I am sure, Mr. Chairman, that you know where I stand on private enterprise, having spent one-third of a century in that arena.

The CHAIRMAN. But here is a chance to prove it.

Mr. GELB. I am 100 percent in favor of private networks and virtually any other private business. I might mention, however, that as a part of my trip I discovered something that you might think would be very obvious. Up to this point it has not been obvious to me because in this country there is so much information.

I receive the wireless file every morning at my desk and, very frankly, it was in great measure a repetition of many of the things that I was reading in the newspaper, seeing on television, et cetera. But the wireless file in the rest of the world becomes the vital umbilical cord for our Foreign Service officers. It is the basis on how they form their judgments.

The fact of the matter is that WORLDNET concentrates on the United States; CNN concentrates on the world. CNN will give a portion of their programming to those things that they feel are of interest to their viewers.

USIA knows the things we want to communicate to our viewers and we get an opportunity to do just that with WORLDNET. We

cannot indeed must not rely on the chance programming of the independent private networks.

So, my feeling is they are not in competition. There may be times when we both are saying somewhat the same thing. But if I had to rely on telling America's story on CNN or any other network, I would feel that the story would have somewhat the appearance of Swiss cheese.

Senator PRESSLER. Let me just say, if I may, that I do not know about the pollster. In my own campaigns I do not rely very much on pollsters, although maybe I will find that I should in my next campaign.

In Egypt alone, I would judge there are well over 200,000 viewers, from what the Americans there told me in the Embassy and from what Egyptians told me. I made a special point of pursuing that.

However, I do not think CNN would object to this. I think it is a supplementary program, that this is an effort on our part to put our best feet forward, so to speak, at a very low cost. And I find it strange that we are having all this controversy about something that is in my judgment a very positive thing.

I do not know that CNN has objected. I like CNN very much. I think it is one of the great revolutionizing news programs in the world, and I think Ted Turner has done a terrific job. I would not want to take anything away from CNN.

WORLDNET programming is provided free to anybody who wants it, as I understand it, and there have even been cases where people have rigged up ways to take it down for free. It is never scrambled, is it?

As I understand it, Cable News Network is scrambled, except where you pay for it; is that not correct?

Mr. GELB. That is my understanding.

Senator PRESSLER. Which is fine. I am not criticizing it at all.

But I really think that, for the amount of money involved here, it is sort of a tempest in a teapot almost. I really hope we do not give up the chance to develop WORLDNET, because it is a new technology, a new kind of an effort, similar to Radio Free Europe, Radio Free Liberty, Voice of America.

The folks over there might be able to develop it into much more at a given moment when other sources of information are shut off to a given country. It might be a very valuable tool at a given instant in foreign policy.

Mr. GELB. I agree, Senator. That is my point of view.

The CHAIRMAN. I would think it might be a matter of interest to our colleagues to have inserted into the record at this point a copy of the Burke Inter View which reduced the 200 million estimate to 200,000, which is quite a shift.

And also, a letter from the Turner Broadcasting System, CNN, which points out that they are now in 73 countries, representing 140 million TV sets, and, most interesting, 2.2 million people who are cable subscribers, in other words people actually paying to get CNN, which is ten times more than the WORLDNET was distributing for free according to Burke Inter View.

The CHAIRMAN. Any way, our colleagues can read these two letters, these two sets of statistics, and decide for themselves.

Senator PRESSLER. May I ask a question, Mr. Chairman, just for a point of information? Is Cable News Network objecting to WORLDNET?

The CHAIRMAN. My understanding is they are not. I guess they have faith in their system and do not consider WORLDNET work particularly a threatening opponent. It is just an expense to the taxpayer.

Senator PRESSLER. OK, but their service is not free to the various stations, is it?

The CHAIRMAN. My understanding is—I cannot give you a reply on that. I do know that 2.2 million people are subscribing and paying for it now. Whether there are more getting it free, I do not know.

Senator PRESSLER. I think the point was on the Egyptian television networks, it was supplied to them. There are many stations out away from Cairo and here and there, that could get this programming or these news bites without expense, and they were reaching a lot of people.

It is true that it is paid for by our Government. But in terms of the other programs we have and the small cost of this one, I am just puzzled why this is being objected to.

Granted, Cable News is doing a great job, but I doubt very much that Ted Turner is worried about this as competition.

The CHAIRMAN. He is not.

Senator PRESSLER. The Third World is really our target. The Third World is where people really cannot afford to subscribe to Cable News Network. I like Cable News Network, but it is difficult to get news and information to poverty-stricken areas. I just find it very strange to use the argument that they can all subscribe to Cable News to get American news. If they barely have enough to eat, I do not think that is an option.

The CHAIRMAN. I would add that among the documents attached to the letter from CNN is a list of the countries that are involved, which include Dominican Republic, Ecuador, Gambia, El Salvador, Chile, Cape Verde, Brunei, wherever that is, Grand Cayman, Guatemala.

Senator PRESSLER. Yes, but these countries, the people who get the service there would have to pay for it; would they not?

The CHAIRMAN. That I cannot give you an answer on.

Senator PRESSLER. Well, I do know the answer. The answer is "Yes," they would have to pay for it.

And if we get into the Third World, if we are trying to influence opinions in Third World countries, this is the only practical way we are going to be able to do it in this age of television.

The CHAIRMAN. I think what we ought to do is probably let these letters speak for themselves, because the letters here give the number of people that do subscribe. For example, in Chile there are 2,000 subscribers and 3 million TV sets; China, 9,700,000 TV sets.

But I think the record should speak for itself.

Senator PRESSLER. I am really not arguing with Cable News here. I applaud Cable News and I am very glad that it is expanding—I hope it expands even more.

The CHAIRMAN. Good.

Senator PRESSLER. But I see no reason, with the amount of money we are spending on public relations around the world, why WORLDNET is viewed as something that we do not need.

I am very much for what they do. I think we should continue to experiment and expand in that area, and I think the battle of ideas in the world is very important. I have always supported Radio Free Europe and Voice of America and so forth, and I think we should have this capability, not only for present world conditions, but to continue to try to find ways to use it even more creatively in the Third World.

The CHAIRMAN. Thank you very much.

Senator Moynihan, I recognize you.

Senator MOYNIHAN. I just want to welcome the distinguished Director and cast my vote for Mr. Bolton.

The CHAIRMAN. She will call your name.

Ms. ALLEM. Mr. Moynihan.

Senator MOYNIHAN. Aye.

The CHAIRMAN. Thank you. Thank you very much.

Mr. GELB. Thank you, Senator.

The CHAIRMAN. This winds up this portion of our hearing. We will now go on to our next witnesses. And we thank you, Mr. Gelb, very much indeed for being with us and being so responsive. And we will give him the written questions, to which we would appreciate responses as soon as possible.

[All of the previous information referred to follows:]

RESPONSES BY MR. GELB TO QUESTIONS ASKED BY SENATOR PELL

IMPACT ON USIA

- Q: THE PROPOSAL IS FOR \$16 MILLION IN EACH OF THE NEXT TWO FISCAL YEARS. IT COMES AT THE VERY SAME TIME WHEN DRASTIC CUTS ARE BEING FORCED GOVERNMENT WIDE. I UNDERSTAND THAT THE MONEY IS COMING OUT OF THE MODERNIZATION ACCOUNT. WHAT IMPACT IS THAT GOING TO HAVE ON VOA'S MODERNIZATION PLANS? DO YOU BELIEVE THAT THIS IS THE PROPER HANDLING OF USIA'S PRIORITIES? ARE YOU PREPARED TO TRADE A NEW VOA RELAY STATION IN MOROCCO OR THAILAND, OR WORLDNET FOR THAT MATTER, FOR TV MARTI? WHAT ARE THE TRADEOFFS? WHAT IS MORE IMPORTANT TO OUR NATIONAL INTERESTS
- A: USIA is currently working with State and OMB in seeking other sources of funding within the foreign affairs budget so that USIA does not have to absorb the full cost of TV Marti. The Administration will detail this proposal in the forthcoming budget amendment. Any reduction of the \$89 million request for VOA modernization will result in further delays and additional costs for the Thailand relay station. USIA considers VOA and TV Marti to be complementary, not competitive services. Both fulfill the Agency's mandate to present accurate, balanced news and, at the same time, portray the diversity of the United States.

LACK OF ENTHUSIASM FOR TV MARTI

- Q: I REALIZE THAT BOTH PRESIDENT BUSH, SECRETARY BAKER AND YOURSELF HAVE MADE STATEMENTS IN SUPPORT OF TV MARTI AND THAT THE HOLLINGS BILL HAS OVER 30 CO-SPONSORS. BUT I HAVE TO TELL YOU THAT I HAVE DETECTED AN UNDERCURRENT REFLECTING A DISTINCT LACK OF ENTHUSIASM AND SUPPORT FOR THIS PROJECT FROM WITHIN USIA AND THE STATE DEPARTMENT FOR THE VERY SAME REASONS THAT MY LINE OF QUESTIONING WILL INDICATE. WHAT HAS MADE TV MARTI SUCH A PRIORITY FOR THE ADMINISTRATION? WHERE IS THE DRIVE FOR THIS PROJECT COMING FROM?
- A: I have told members of this Committee, both publicly and privately, that I am firmly committed to TV Marti. The President, the Vice President, the Secretary of State, and many Members of Congress have also expressed unequivocal support for providing television service to Cuba. That the planning for the operational test is proceeding on schedule is testament to our commitment to the success of the project.

CART BEFORE THE HORSE

- Q: THE ADMINISTRATION IS ASKING THE CONGRESS TO APPROVE THE FUNDING FOR THE TV MARTI PROJECT BEFORE WE RECEIVE ANSWERS TO SERIOUS QUESTIONS REGARDING THE VERY FEASIBILITY OF THE PROJECT ITSELF. FOR EXAMPLE, I UNDERSTAND THAT THE 90-DAY EXPERIMENT THAT WAS APPROVED LAST YEAR WILL NOT TAKE PLACE UNTIL THE :AST PART OF THIS YEAR AND THAT THE RESULTS WILL NOT BE KNOWN UNTIL EARLY IN 1990. ALSO, THE ADMINISTRATION'S OWN TASK FORCES THAT HAVE BEEN SET UP IN USIA AND THE NSC ARE NOT YET READY TO PRESENT THEIR FINDINGS ON THE VARIOUS ISSUES THAT HAVE BEEN RAISED. TO ME IT JUST SEEMS LOGICAL THAT THE CONGRESS SHOULD HAVE THE ANSWERS TO THE QUESTIONS RAISED BEFORE THE PROJECT IS APPROVED. WHY IS THE ADMINISTRATION PUSHING THIS PROJECT ON SUCH A FAST TRACK BEFORE WE KNOW OF THE PROJECT WILL EVEN WORK?
- A: Early studies, undertaken at Congressional direction by the Advisory Board for Radio Broadcasting to Cuba, were quite positive concerning the concept of television broadcasting to Cuba. Therefore, we have every reason to believe that the forthcoming test will be successful, and that we will be able to transmit television programming to Cuba without objectionable interference to other broadcasters.

POSSIBILITY OF INTERFERENCE FROM THE TV MARTI SIGNAL

- Q: I KNOW YOU BELIEVE THAT THERE WILL NOT BE INTERFERENCE BUT WE REALLY WON'T KNOW UNTIL THE EXPERIMENT IS CONDUCTED. IS THIS NOT TRUE?
- A: Yes, an operational test will be necessary to determine with certainty whether any interference will occur.

RELIABILITY OF THE AEROSTAT; COST OF BACKUP

- Q: I UNDERSTAND THAT AN AEROSTAT WENT DOWN LAST MONTH DUE TO A LIGHTNING STRIKE. HAVE YOU CONSIDERED WHAT TV MARTI DOES WHEN THE AEROSTAT IS DOWN? IS A SIGNAL CARRIED IN A PLANE CIRCLING KEY WEST BEING CONSIDERED AS A BACKUP? WHAT BACKUP SYSTEMS ARE BEING CONSIDERED? HOW ARE YOU SURE THEY WILL WORK? WHAT ARE THE COSTS OF THE RESPECTIVES BACKUP SYSTEMS?
- A: To compensate for the aerostat downtime, we are considering backup systems, including an airplane-based one. Any backup system will have to be engineered and tested in the same systematic way that the aerostat-based system will be tested to determine if it could be used to increase the reliability of TV Marti.

Costs of an airplane-based system have not yet been determined. However, we have asked for proposals from competitive bidders to design an airplane-based system and conduct an operational test.

WILL TV MARTI BE RECEIVED IN CUBA

- Q: DO YOU DENY THAT THE CUBANS HAVE THE ABILITY TO PREVENT TV MARTI FROM BEING SEEN?
- A: No, the Cubans probably have the ability to interfere with the TV Marti signal, which may prevent the signal from being seen regularly by the Cuban audience.

POSSIBILITY OF RADIO WARFARE

- Q. THE CUBANS HAVE ALREADY MADE KNOWN THAT THEY WILL RESPOND IN SOME WAY TO TV MARTI BECAUSE IT IS VIEWED AS AN AFFRONT TO THEIR SOVEREIGNTY. THERE ALREADY HAVE BEEN SOME EXAMPLES OF CUBAN INTERFERENCE WITH RADIO AND TV IN FLORIDA. YOU WILL RECALL THAT DURING THE RADIO MARTI DEBATE IN THE CONGRESS, THE CUBANS GAVE VIVID DEMONSTRATIONS OF THEIR ABILITY TO INTERFERE WITH U.S. BROADCASTING IN WIDESPREAD PARTS OF THE COUNTRY. ARE YOU READY FOR RADIO AND TV WARFARE WITH CUBA AS A RESULT OF TV MARTI? DO YOU BELIEVE THAT THE AMERICAN PUBLIC IS WILLING TO SEE DALLAS, NFL FOOTBALL, AND JOHNNY CARSON GO OFF THE AIR AT JUST THE RIGHT MOMENT IN THE NAME OF TELEVISION SOAP OPERAS AND SUCH TO CUBA?
- A: Agencies authorized to deal with the matter are studying possible U.S. responses in the event Cuba deliberately interferes with domestic broadcasters. It should be noted, however, that similarly anticipated Cuban retaliation for Radio Marti never materialized. In fact, no U.S. broadcasters have filed claims with the FCC for reimbursement as a result of Cuban interference that occurred after Radio Marti went on the air in May 1985.

VIOLATION OF INTERNATIONAL LAW AND CONVENTIONS

- Q: PLEASE PROVIDE THE COMMITTEE WITH THE ADMINISTRATION'S VIEWS ON THE IMPLICATIONS FOR THE U.S. COMPLIANCE WITH THE ITU AND OTHER TREATIES AND CONVENTIONS TO WHICH THE UNITED STATES IS A PARTY.
- A: The interpretation of the United States' obligations under the ITU Convention, and ITU Radio Regulations, and treaties are the responsibility of the Department of State. The Department of State, in consultation

with USIA and other U.S. government agencies, is currently examining these questions in light of the evolving technical design of the proposed TV Marti facilities. USIA intends to comply fully with U.S. obligations.

ADVERSE IMPACT ON IMMIGRATION AGREEMENT AND PROSPECTS FOR
COOPERATION WITH CUBA IN AREAS SUCH AS NARCOTICS
INTERDICTION

Q: YOU WILL RECALL THAT THE CUBAN RESPONSE TO RADIO MARTI WAS THE SUSPENSION OF THE U.S.-CUBA IMMIGRATION AGREEMENT. THE AGREEMENT IS NOW IN FORCE BUT THERE IS A DISTINCT POSSIBILITY THAT THE CUBANS WILL ONCE AGAIN RESPOND IN A WAY THAT COULD ADVERSELY AFFECT THE CUBAN-AMERICAN COMMUNITY. ALSO AFFECTED COULD BE THE PROSPECTS OF COOPERATION WITH THE CUBANS ON NARCOTICS INTERDICTION AND THE ENVIRONMENT AS WELL AS PROSPECTS FOR THE RESUMPTION OF TALKS WITH THE CUBANS ON RADIO INTERFERENCE PROBLEMS. WHAT IS THE ADMINISTRATION'S ASSESSMENT OF POSSIBLE RETALIATORY RESPONSES BY THE CUBANS?

A: The question of possible retaliatory responses by the Cubans is being considered by other agencies authorized to deal with the matter. They will prepare their reports for the National Security Council. USIA has no capability to make such assessments.

QUESTION 1

Q: MOST DOMESTIC TV STATIONS HAVE THE AUTHORITY TO OPERATE WITH BROADCAST ANTENNAS THAT ARE A MAXIMUM HEIGHT OF 2000 FEET. DO WE EVEN KNOW WHAT TO EXPECT FROM A TELEVISION ANTENNA 14,000 FEET HIGH? WHAT ARE THE POTENTIAL INTERFERENCE CONSEQUENCES TO OTHER U.S. AND FOREIGN TELEVISION STATIONS IN THE REGION?

A: The FCC has specific rules for operation of stations above 2,000 feet and we will comply with those rules. The TV Marti aerostat-based system will operate at a nominal height of 10,000 feet, not at 14,000 feet. TV Marti performance has been predicted using computer modeling and advanced propagation studies. The purpose of the operational test is to confirm that the designed system will avoid interference.

QUESTION 2

Q: THE GULF REGION HAS UNUSUAL SIGNAL PROPAGATION CHARACTERISTICS, CALLED "DUCTING", WHICH CAUSE TELEVISION SIGNALS TO CARRY OVER LONGER DISTANCES. HAS THIS BEEN FACTORED INTO THE TV MARTI EQUATION, SO FAR AS POTENTIAL INTERFERENCE IS CONCERNED?

- A: Yes, we have considered ducting. We believe that it will facilitate TV Marti reception in Havana and therefore permit us to broadcast at lower power.

QUESTION 3

- Q: HOW EFFECTIVE WILL THIS DIRECTIONAL ANTENNA BE, ESPECIALLY AT THESE HIGH POWER LEVELS? WHAT ASSURANCES CAN YOU GIVE US THAT THE TV MARTI SIGNAL WILL NOT BE RADIATED IN DIRECTIONS OTHER THAN TOWARDS HAVANA?

- A: The TV Marti system is actually a low power system and the antenna should be very effective. The system will operate at one tenth the allowable power. The directional antenna will radiate less than 50 watts toward U.S. stations, which is very low power. A scale model has been constructed and tested. A full size prototype will be tested at low power and low altitude prior to the full operational test.

QUESTION 4

- Q: IN ADDITION TO A DIRECTIONAL ANTENNA, TV MARTI WILL REQUIRE AN EXTREMELY STABLE ANTENNA PLATFORM TO INSURE THAT ITS SIGNAL TRANSMITS IN THE PROPER DIRECTION AT ALL TIMES AND AVOIDS OBJECTIONAL INTERFERENCE TO U.S. STATIONS. HOW WILL THIS BE ACCOMPLISHED? HOW RELIABLE IS THIS MECHANISM? WHAT EXPERIENCE DO WE HAVE WITH SUCH A SYSTEM?

- A: The aerostat-based antenna platform has proved to be very stable during some 10 years of successful use involving high resolution radars for the Air Force and U.S. Customs Service. There will also be a built-in "failsafe" capability of automatic rapid shutdown. The tests scheduled for later this year will provide more information on this subject.

QUESTION 5

- Q: WILL THIS TV MARTI AEROSTAT APPARATUS HAVE A "FAIL SAFE" CAPABILITY FOR RAPID SHUTDOWN IN THE EVENT THAT THE ANTENNA DOES BEGIN RADIATING ITS SIGNAL IN THE WRONG DIRECTION? WHO WILL HAVE THE AUTHORITY TO SHUT DOWN THE SIGNAL? HOW MUCH TIME WILL BE REQUIRED?

- A: There are built-in automatic shutdown devices in the event of an equipment malfunction. However, TV Marti will be constantly monitored, with complete control of the system from the ground, including the transmitter. TV Marti personnel will have full manual control at all times, and the authority to shut down the system instantly in case of interference problems as reported through a network of monitors.

QUESTION 6

- Q: WHAT WILL IT COST TO ACQUIRE AND/OR PURCHASE THE NECESSARY TV MARTI EQUIPMENT? WHAT ARE THE ANTICIPATED OPERATING COSTS OF THIS SYSTEM?
- A: TV Marti equipment will cost approximately \$1 million for the 90-day operational test of the aerostat-based system. Operating costs for a fully operational TV Marti are estimated at \$16 million per year.

QUESTION 7

- Q: WHEN WILL THE TESTS OF THIS AEROSTAT SYSTEM BEGIN? WHAT REPORTS WILL BE MADE TO THE ADMINISTRATION AND CONGRESS OF THE RESULTS? WHEN? WILL THE PUBLIC, ESPECIALLY POTENTIALLY AFFECTED TELEVISION STATIONS, HAVE ACCESS TO THE TEST RESULTS? WILL THEY HAVE THE OPPORTUNITY TO COMMENT ON THE TEST RESULTS?
- A: The 90-day operational test is scheduled to begin in November 1989. A report will be presented to the NSC 30 days after completion of the test. The President will make the test evaluation available to Congress. The public would have access to the test results at that time.

QUESTION 8

- Q. WHAT FREQUENCY OR FREQUENCIES WILL BE UTILIZED?
- A: TV Marti will utilize a standard VHF television frequency (Channels 2-13).

QUESTION 9

- Q: WHAT IS THE EXPECTED "DOWNTIME" OF THE TV MARTI AEROSTAT?
- A: A detailed analysis of the weather at Cudjoe Key Air Force Station, where the aerostat-based test will take place, shows that the aerostat is operational 80-85% of the time during the months of November through April, 60-70% of the time during May and October and 30-40% of time during the summer months of June through September.

QUESTION 10

- Q. WILL TV MARTI UTILIZE ALTERNATIVE MEANS OF BROADCASTING TO CUBA DURING THE AEROSTAT DOWNTIME? WHAT OPTION OR OPTIONS ARE BEING CONSIDERED?

- A: In order to improve the operational profile of TV Marti, some alternatives are being considered. One option being considered is an aircraft mounted system. Another alternative would be to broadcast TV Marti on a seasonal schedule, taking advantage of the typical weather conditions for each season and thereby reducing downtime.

QUESTION 11

- Q. HOW EFFECTIVE WILL THE DIRECTIONAL ANTENNA AND STABILIZATION SYSTEM BE WITH THIS ALTERNATIVE SYSTEM. HOW RELIABLE?

- A: We believe that an aircraft mounted antenna, like the aerostat mounted one, can be directionally stabilized to ensure that the signal will be beamed to Cuba. Like the aerostat, a 'fail-safe' mechanism is also envisioned to prevent transmission outside of a fixed range of bearings. With regard to reliability, since we do not yet have a system design, it is impossible at this time to predict system reliability.

QUESTION 12

- Q: WHAT WILL IT COST TO ACQUIRE AND/OR PURCHASE THE NECESSARY EQUIPMENT FOR THIS ALTERNATIVE BROADCASTING MECHANISM? WHAT ARE THE ANTICIPATED OPERATING COSTS OF THIS SYSTEM?

- A: There has not been sufficient study of the alternative systems to estimate either acquisition costs or operating costs. We are presently studying what these costs may be.

QUESTION 13

- Q. DO YOU INTEND TO TEST THIS ALTERNATIVE BROADCASTING SYSTEM? WHEN? WHAT REPORTS WILL BE MADE TO THE ADMINISTRATION AND CONGRESS OF THESE RESULTS? WHEN? WILL THE PUBLIC, ESPECIALLY POTENTIALLY AFFECTED TELEVISION STATIONS, HAVE ACCESS TO THE TEST RESULTS? WILL THEY HAVE THE OPPORTUNITY TO COMMENT ON THESE RESULTS?

- A: Since there is not presently a system design for an alternative delivery system, it is not possible to predict whether or when such an alternative system will be tested. Any such test will be held to the same standards as the aerostat test with regard to objectionable interference, and the results of that test will be provided to the President and to Congress as provided for in the legislation.

QUESTION 14

Q. WHAT FREQUENCY OR FREQUENCIES WILL BE UTILIZED FOR THIS ALTERNATIVE SYSTEM?

A: Any back-up system is expected to operate on the same frequency as the primary system.

QUESTION 15

Q. IS [IT RELATIVELY SIMPLE AND INEXPENSIVE TO JAM THE TV MARTI BROADCASTS]? HOW COULD IT BE ACCOMPLISHED? AT WHAT COST TO CUBA?

A: Cuba can jam TV Marti by broadcasting a signal on the same channel. While the financial cost would be small, jamming TV Marti would involve a significant political cost for Cuba. Deliberate interference with foreign broadcasts violates the Universal Declaration of Human Rights. Jamming of TV Marti would also vividly demonstrate to the world the repressive nature of Fidel Castro's regime.

QUESTION 16

Q. WHAT COUNTERMEASURES WOULD TV MARTI EMPLOY IF CUBA ATTEMPTS TO JAM THE SIGNAL? HOW MUCH WOULD THIS COST?

A: In the event of Cuban jamming, appropriate changes in the TV Marti broadcast operation, consistent with the requirement to avoid harmful interference with American and Cuban stations, would be considered. The costs, if any, of these countermeasures have not been determined.

QUESTION 17

Q. I UNDERSTAND THAT TV MARTI MIGHT EMPLOY MULTIPLE FREQUENCIES IN AN ATTEMPT TO AVOID JAMMING. IS THIS TRUE? WHAT ADDITIONAL COMPLEXITIES AND COSTS DOES THIS ADD TO TV MARTI? WHAT ADDITIONAL INTERFERENCE CONCERNS WOULD THIS CREATE FOR DOMESTIC AND FOREIGN TELEVISION STATIONS?

A: There is no plan to broadcast on multiple frequencies. The number of frequencies that could be effectively used by TV Marti is limited, and the requirement to protect other broadcasters from harmful interference is a further constraint. As a practical matter, it is doubtful that more than one VHF channel would meet these requirements.

QUESTION 18

Q: HOW WILL TV MARTI GENERATE SUFFICIENT POWER TO TRANSMIT A SIGNAL THAT CAN BE RECEIVED IN CUBA?

A: A 1 kilowatt transmitter will be used with a high gain antenna to concentrate power which will deliver a high quality signal to Havana.

QUESTION 19

Q: WILL TV MARTI BE REQUIRED TO USE POWER LEVELS EXCEEDING WHAT WOULD BE NECESSARY FOR GOOD QUALITY DOMESTIC SERVICE TO GET ITS SIGNAL TO CUBA? IF SO, HOW CAN TV MARTI BROADCAST AT THOSE POWER LEVELS WITHOUT VIOLATING THE INTERNATIONAL TELECOMMUNICATIONS CONVENTION OF THE INTERNATIONAL TELECOMMUNICATIONS UNION?

Q: There are no specific television power limits defined in the ITU Radio Regulations or regional agreements which apply to TV Marti. TV Marti will use only the minimum power required to provide a good quality signal in the Havana viewing area. The Department of State, in consultation with USIA and other government agencies, will determine whether or not these required power levels are consistent with the United States' international obligations. USIA intends to comply fully with U.S. obligations.

QUESTION 20

Q: IS IT CORRECT THAT TV MARTI WILL BROADCAST ON CHANNEL 13? DOES THE CUBAN GOVERNMENT CURRENTLY OPERATE TELEVISION STATIONS THAT BROADCAST TO THE CUBAN PEOPLE ON CHANNEL 13? WHAT ARRANGEMENTS WILL BE MADE TO AVOID CAUSING HARMFUL INTERFERENCE TO THE CUBAN GOVERNMENT'S BROADCAST SERVICES?

A: We have not yet secured a channel for TV Marti. We have looked at all the channels in the VHF band and Channel 13 remains under consideration. Cuba operates a station on Channel 13 in Matanzas but not in Havana. Whatever channel TV Marti eventually broadcasts on, it is our intention to cause no harmful interference.

QUESTION 21

Q: IF TV MARTI IS LIKELY TO CAUSE HARMFUL INTERFERENCE TO CUBAN DOMESTIC BROADCASTING, WHAT DIFFICULTIES DO YOU ANTICIPATE ARE LIKELY TO ARISE IN REGISTERING THE PROPOSED FREQUENCY WITH THE INTERNATIONAL FREQUENCY REGISTRATION BOARD? HOW DO YOU PROPOSE TO RESOLVE THOSE DIFFICULTIES?

- A: The proposed TV Marti design includes provisions for protecting known Cuban TV stations from interference. After the technical design and frequency selection are completed, the Department of State, in conjunction with USIA and other government agencies, will determine U.S. obligations to the International Frequency Registration Board. USIA intends to comply fully with U.S. obligations.

QUESTION 22

- Q: IN THE EVENT THAT THE CUBAN GOVERNMENT DECIDES TO RETALIATE AGAINST THE UNITED STATES IN RESPONSE TO THE TV MARTI BROADCASTS, WHAT RECOURSE WILL THE UNITED STATES HAVE TO THE ITU IF THE ITU DETERMINES THAT TV MARTI IS IN VIOLATION OF THE ITU CONVENTION?

- A: The interpretation of U.S. obligations under the ITU Convention and Radio Regulations is the responsibility of the Department of State. The Department of State is currently examining these questions in light of the evolving technical design of the proposed TV Marti facilities. USIA intends to comply fully with U.S. obligations as they will be defined by the Department of State.

QUESTION 23

- Q: I AM TOLD THAT TELEVISION RECEPTION CAN BE INTERFERED WITH BY OTHER STATIONS ON THE SAME CHANNEL OR ADJACENT CHANNELS. DO WE KNOW ENOUGH ABOUT THE USE OF TELEVISION CHANNELS IN CUBA TO PICK A CHANNEL THAT WILL BE INTERFERENCE-FREE?
- A: Reliable information regarding the frequencies used in Havana is available. Channel selection for TV Marti will be based on this information.

QUESTION 24

- Q: PLEASE EXPLAIN THE BASIS ON WHICH DOMESTIC TELEVISION STATIONS WOULD BE PROTECTED FROM OBJECTIONABLE INTERFERENCE.
- A: Distance separation and power radiated in the direction of domestic stations by TV Marti are within the levels permitted by FCC rules.

QUESTION 25

- Q: ARE YOU SAYING THAT DOMESTIC STATIONS WILL BE PROTECTED WITHIN THEIR GRADE B CONTOURS?

- A: While grade B protection is not required by FCC rules, it is anticipated that TV Marti will achieve such protection.

QUESTION 26

- Q: WHAT WILL BE DONE IF THE DOMESTIC TELEVISION STATION IS REGULARLY RECEIVED OUTSIDE ITS GRADE B CONTOUR? WILL SUCH EXTENDED SERVICE BE PROTECTED FROM INTERFERENCE?

- A: No such protection is required by FCC rules.

QUESTION 27

- Q: AS I UNDERSTAND IT, THE TV MARTI TRANSMITTING ANTENNA IS TO BE DESIGNED TO RADIATE MOST OF ITS POWER TOWARD HAVANA AND VERY LITTLE TOWARD THE U.S. THEY CALL THIS A DIRECTIONAL ANTENNA. IS THERE A PRACTICAL LIMIT TO THE EXTENT THAT RADIATION CAN BE SUPPRESSED TOWARD THE U.S. WHILE PROVIDING THE BEST POSSIBLE SERVICE TO HAVANA? IF SO, WHAT IS IT?

- A: The contractor is required to achieve a 30 dB front to back ratio to protect U.S. domestic stations.

QUESTION 28

- Q: IN DETERMINING WHETHER OR NOT OBJECTIONABLE INTERFERENCE WOULD BE CAUSED TO DOMESTIC STATIONS, WHAT PROPAGATION MODEL WOULD BE USED IN THE CALCULATION? I AM TOLD THAT ONE GETS DIFFERENT RESULTS IF ONE USES DIFFERENT METHODS.

- A: The Defense Department's Electromagnetic Compatibility Analysis Center (ECAC) has conducted the most accurate and comprehensive propagation analysis available. The analysis included consideration of the atmospheric conditions and terrain of the areas involved. The TV Marti antenna design is based on the results of that study.

QUESTION 29

- Q: SINCE TV MARTI WOULD MAXIMIZE SERVICE TO HAVANA AND [MINIMIZE] OBJECTIONABLE INTERFERENCE TO DOMESTIC STATIONS BY USING A DIRECTIONAL ANTENNA, I PRESUME THAT THIS ANTENNA MUST REMAIN POINTED IN THE RIGHT DIRECTION. DO WE HAVE THE TECHNOLOGY TO MAINTAIN THE ANTENNA IN THE PROPER HORIZONTAL AND VERTICAL POSITIONS? WITHIN WHAT LIMITS CAN BE MAINTAIN THIS POSITIONING?

- A: The stable aerostat platform presently being used by the Air Force and intended for use by TV Marti has a pointing accuracy of plus or minus 0.5 degrees in azimuth. The tests planned will provide more information about the accuracy of these projections.

QUESTION 30

- Q: IF A MALFUNCTION SHOULD OCCUR WHICH CAUSES INTERFERENCE, HOW WILL IT BE HANDLED? WILL IT BE NECESSARY FOR VIEWERS TO COMPLAIN TO THE STATION AND THEN FOR THE STATION TO SEEK RELIEF THROUGH CONTACT WITH THE TV MARTI BUREAUCRACY? COULDN'T THAT TAKE QUITE SOME TIME?
- A: The system will include devices that provide automatic shutdown of equipment should a malfunction occur. Also, constant on-site monitoring by TV Marti personnel will insure adequate manual control from the ground.

QUESTION 31

- Q: I AM TOLD THAT THE WAY TELEVISION SIGNALS PROPAGATE CHANGES WITH TIME OF DAY AND CHANGES IN THE WEATHER. IF TV MARTI CAUSES NO INTERFERENCE WHEN IT FIRST BEGINS OPERATING, HOW CAN YOU ASSURE US THAT THE SITUATION WON'T CHANGE SO THAT INTERFERENCE IS PRODUCED?
- A: The purpose of the 90-day operational test is to monitor broadcasting during various weather conditions. Furthermore, once operational, TV Marti will continue to operate responsibly and with the same safeguards employed during the test phase.

Mr. GELB. Thank you, Mr. Chairman.

The CHAIRMAN. We now if Mrs. Cassandra Pyle, executive director of the Council for International Exchange of Scholars, and Mr. Elbert Smith of the Fulbright Alumni Association could come forward.

Welcome, Mrs. Pyle and Mr. Smith. Mrs. Pyle, will you start out.

STATEMENT OF CASSANDRA A. PYLE, EXECUTIVE DIRECTOR, COUNCIL FOR INTERNATIONAL EXCHANGE OF SCHOLARS, AND CHAIRMAN, LIAISON GROUP FOR INTERNATIONAL EDUCATIONAL EXCHANGES

Ms. PYLE. Thank you, Mr. Chairman and distinguished members of the committee.

My name is Cassandra A. Pyle. I am the executive director of the Council for International Exchange of Scholars. We are a private organization which is responsible for administration of the senior scholar Fulbright program through a cooperative agreement with the United States Information Agency.

I am here in my capacity as chairman of the Liaison Group for International Educational Exchanges, which is a coalition of the executive leadership of 23 nonprofit organizations deeply involved in educational and cultural exchange programs.

My own career spans 30 years in the exchanges field. I have worked for several major nonprofit organizations and I have spent 13 years at a university campus involved in international programs. I have served on boards and advisory committees of a number of these organizations.

I would like to mention also that throughout my 30-year career I have had direct involvement with the Fulbright program.

I have submitted written testimony to the committee. I would like at this time in my comments, however, to make only two points to the committee.

I urge the committee to strengthen the oversight board for the Fulbright program, which is presently housed in the United States Information Agency, to make that board clearly an independent body, and to specify the broad policy roles for that board, and to assure that that board is composed of prominent academics and distinguished citizens.

The USIA as part of its mission engages in a strong and vigorous advocacy program of U.S. policy abroad. To have that mission and at the same time house exchange programs within the Agency requires a very clear and very visible separation between that advocacy mission and those of exchanges, specifically the Fulbright program, which has a clear and different objective.

The maintenance of open and constructive partnerships, as well as support from the Fulbright partners, which include the many participating countries, the U.S. academic community, and a vast number of private sector organizations, depends very much upon a highly visible separation.

As you know, Mr. Chairman and members of the committee, there has been a good deal of discussion about the possibility of moving the Fulbright program and other exchanges out of the United States Information Agency. I am not here on behalf of my organizations to recommend that move at this time. We do not believe it would be wise.

But we are suggesting an alternative in the form of a strengthened independent board. This alternative would provide a measure of support for the program which would avoid serious bureaucratic disruption.

I have read Senator Pell's proposal for a strengthened board and I strongly support it on behalf of our organizations. The new board will greatly reassure longstanding and vital partners for exchanges that they count, that they are independent, and that objectivity is used in their conduct. Those partners include many foreign countries abroad. There are approximately 120 countries participating in the Fulbright program.

It will reassure the academic community and it will reassure the many private sector partners which have contributed for many years and are strongly and deeply devoted to these programs. I am pleased to know of Mr. Gelb's early statements of support for exchanges. Those, too, will be reassuring to those partners.

One last comment to the committee. I urge the committee, even at a time of very serious budget constraints, to preserve and protect the exchanges activity.

The Pell amendment proposed by the Senator, approved by this committee in 1982, began the reverse of a serious and longstanding decline in support for exchanges. By 1986, substantial growth had been achieved, but as of 1986 there have been only marginal increases for the exchanges programs. At this time we have begun to see serious and sustained erosion of many of those programs.

I urge the committee to move a very small group of exchange programs which are presently housed within the salary and exchanges budget of the USIA into the exchanges account. Although that account has grown in dollar support over the years, the financial situation of these small programs which are vitally important to the rest of exchanges have suffered disastrous losses over that period of time.

Last, I would urge as full a support as possible for the title 8 programs which are for exchanges with the Soviet Union and Eastern Europe. The needs and opportunities in that part of the world are great at this time. The funds for those accounts have suffered very serious declines and continue to do so at the current time.

If we are to build upon the climate of freedom and democracy and openness referred to in Mr. Gelb's statement and I am sure agreed to by all members of the committee, I believe that the Fulbright program and other exchange programs must be supported as one of the most effective instruments for communication about that freedom and democracy and other values in our society. Exchange programs will greatly facilitate the type of openness that is a mission of this Government in relationship to other countries.

I appreciate the opportunity to testify today. I want to express on behalf of the exchanges community and the academic community our admiration and our appreciation for the leadership of the chairman of this committee and the members of the committee on behalf of exchanges activities.

Thank you.

[The prepared statement of Ms. Pyle follows:]

PREPARED STATEMENT OF CASSANDRA A. PYLE

Chairman Pell and distinguished members of the Committee. My name is Cassandra A. Pyle, Executive Director of the Council for International Exchange of Scholars (CIES). CIES, which is affiliated with the American Council of Learned Societies, administers the Senior Scholar portion of the Fulbright Program through a cooperative agreement with the U.S. Information Agency. CIES was created expressly to represent U.S. academic interests in the Fulbright Program and to play a role in its administration, and it has had this responsibility since 1947. In response to the Committee's request, I am honored to appear today as the current Chairman of the Liaison Group for International Educational Exchange. The Liaison Group is a coalition made up of the executive leadership of twenty-three U.S. nonprofit organizations concerned with international educational and cultural exchanges.

As you consider this very important piece of legislation, U.S. international exchange programs face a vexing combination of opportunities, problems, and constraints. Before discussing several specific policy issues, allow me to briefly overview some of the major elements of our situation.

Never before have we had such opportunities to build educational bridges between the United States and the Soviet Union and the nations of Eastern Europe. And nowhere have we seen so clearly the results of small-scale long-term investments in exchanges as we now see unfolding in the Soviet Union. Yet, expanding exchanges in this vital area siphons resources from other very important relationships. Even within the area of exchanges with the Soviet bloc, it has been difficult to maintain ongoing levels of scholarly exchanges while beginning to invest in student and youth programs.

Another enormous challenge faces us in putting international exchanges to work in addressing the global environmental problems which the nations of the world must face in a highly coordinated manner. The recently publicized concerns about environmental disasters in Latin America, to cite but one example, requires international exchange of information and scientific knowledge, coupled with perspectives of humanists and social scientists, at unprecedented levels.

Many of the underlying economic and social problems which prompted the Kissinger Commission in 1984 to call for a greatly expanded scholarship program for Latin America still exist today. Unfortunately, USIA's scholarship program for the American Republics has been substantially scaled back since 1986 for lack of resources.

We are trying to respond to the dramatically changing and complex international landscape in which the nation finds itself. It is crucial that we find ways to send more American students and young professionals abroad to build the kind of skills needed to forge diplomatic relationships and succeed in today's international marketplace. The National Governor's Association just completed an excellent Task Force Report on International Education, "America in Transition: The International Frontier," which we highly recommend to the Committee in defining this issue. Currently fewer than one in one hundred undergraduate students in U.S. higher education studies abroad. The vast majority of these travel the well-trodden paths to a very few countries in Europe. We must find ways to get more of our students, from all economic and social strata, to study abroad in more countries and regions of importance to our nation's economic well-being.

In terms of welcoming and educating students from other nations, we find ourselves in an increasingly competitive international situation. The most recent State Department information available on the Soviet Union's scholarship activities reveals an expansion of more than ten percent between 1984 and 1986. In earlier years we often questioned the effectiveness of Soviet education as a public diplomacy tool. I suggest that this evaluation needs to be reconsidered in the context of a drastically changed Soviet society. Other major nations have also entered this arena in a substantial way. For example, Japan has set a ten-fold increase in foreign student enrollments as a long-term goal and they are progressing toward it. Australia, the United Kingdom, and Canada are all embarking on programs to attract more foreign students. These governments see the direct relationship between international exchanges and their political and economic alliances.

Complicating all these issues we face a fiscal situation in which funding has essentially been frozen at actual levels since 1986. During this period

major unavoidable cost increases -- the largest one being new federal taxes (a subject to which I will return at a later point) -- have seriously eroded programs. This is illustrated by the graph attached to my statement which shows a substantial decline in USIA exchange program participants from 1986.

With this brief overview, let me turn to a set of specific recommendations the Liaison Group respectfully submits to the Committee for consideration. Some of these recommendations require increased funding. We put forward these suggestions with a full and sympathetic understanding of the severe constraints regarding funding the Committee faces in making its decisions. However, the additional required funds are very small, (both in dollars and percentage of budget) and they will send strong positive messages to nations which participate in these exchanges.

o STRENGTHEN THE ROLE OF THE BOARD OF FOREIGN SCHOLARSHIPS AND MAKE IT MORE REPRESENTATIVE OF EDUCATIONAL AND OTHER CONCERNED INTERESTS

There is a need, we believe, to strengthen the role played by the statutory oversight board which supervises the academic exchange programs authorized under the Fulbright-Hays Act and to make this board more highly representative of the U.S. academic community and the public interests involved in academic and cultural exchanges.

The 1980's have witnessed the development of a far more vigorous and highly-visible USIA as a global advocate in support of U.S. policy positions. In this context, it is essential to ensure that there is a clear and visible separation of international exchange programs from direct policy advocacy activities. This separation provides safeguards so that exchange programs are not administered on the basis of short-term policy goals. In a world of escalating public diplomacy, this distance must be symbolically visible to all participants and advocates of exchanges.

This is particularly important, for example, to the sustained partnership with the approximately 120 countries which actively participate in the Fulbright

Program. More than one third of these countries provide financial contributions to the program. They demand that the program ride above the fray of partisan politics. All countries which participate count on the Fulbright Program to provide a standard of bi-national commitment which generates mutual good will and understanding from all parties.

As you know, it has been argued that academic exchanges, and specifically the Fulbright Program, should be moved from USIA for these reasons. We believe such a move, at least at this time, is not wise, and think there is an alternative way to deal with these issues without serious bureaucratic disruption. A strengthened and independent oversight board that represents a multiplicity of perspectives can satisfy many of these concerns.

Retaining the administrative proximity of the Fulbright Program with a large number of other exchange programs continues to have significant advantages. The high standards which the Fulbright Program has set for more than four decades strengthens these programs. It also provides many opportunities for the resources of other programs to complement Fulbright efforts.

There are other reasons for strengthening the role of the board. Over its four decades the Fulbright Program has greatly expanded its programmatic outreach to encompass most countries of the world. The nature of individual programs has become varied and diverse, reflecting the changing natures of student, scholar, faculty, and professional intellectual mobility. This program now serves a vast academic and professional constituency and it must remain responsive to their needs and opportunities. In short, we believe this type of public diplomacy will be strengthened by increasing the role of an independent board which is composed of prominent academics and distinguished citizens who are responsible for shaping Fulbright Program policies and priorities.

USIA support for the Program since 1983 has been very important. We have received strong assurances that this support will continue. We are encouraged by the appointment of Mr. Gelb and his early statements about the importance of

exchanges. A distinguished and independent oversight board, coupled with effective USIA support, can ensure the continuation of the longstanding partnerships between the United States, other participating countries, and the academic and professional communities.

o INITIATE EFFORTS TO REGAIN LOST GROUND FOR THE MAJOR EXCHANGE PROGRAMS

In 1982 this Committee initiated a highly successful effort to rebuild USIA's exchange programs through the Pell Amendment to the fiscal year 1983 authorization bill. Between 1983 and 1986 much-needed funding increases allowed the Fulbright Program to approach the operating level it enjoyed in the early 1960's.

Unfortunately, since then many of these gains have been eroded. From 1986 there have been only marginal funding increases, much of it earmarked for special programs. Meanwhile major cost increases have taken a heavy toll. By far the largest of these came in the form of new taxes on USIA exchange program scholarships which resulted from the Tax Reform Act of 1986. As a result of these factors, the programs have been quantitatively diminished and the quality of many has suffered for there have been insufficient funds to maintain the quality of many program components.

An illustration of this program erosion is displayed in the graph attached to my statement. Developed using data supplied by USIA, the graph represents the number of participants in several major USIA programs since 1986 and reveals an overall decline of thirteen percent.

We urge the Committee to take the initiative once again to regain program losses through a legislative initiative aimed at restoring 1986 operating levels for the Fulbright, International Visitor, Humphrey, and other major programs over the next two fiscal years.

o VITAL SMALL EXCHANGE PROGRAMS FUNDED FROM USIA'S SALARIES AND EXPENSES ACCOUNT URGENTLY NEED PROTECTION FROM FURTHER FUNDING REDUCTIONS

The international exchange community is particularly concerned about the condition of several small exchange programs now funded from USIA's Salaries and

Expenses account. Although lacking the prominence of the Fulbright Program, these programs provide vital functions essential to the Fulbright Program and our ability to conduct exchanges. These programs were retained in the S&E account when the Educational and Cultural Exchanges Account was created in 1984 to fund the major programs. As a result they have suffered enormous budget reductions even though the S&E account itself has grown substantially. The following table reveals these disturbing trends, showing overall funding for the Salaries and Expenses Account on the top line followed by the exchange activities funded from that account.

Account/Program (Amounts in 1,000's)	1986 Actual	1987 Actual	1988 Actual	1989 Estimate	1990 Request	1986-90 +/-
Salaries & Expenses	\$546,500	\$588,232	\$620,347	\$620,347	\$655,068	+19.9%
Stud Support Serv's	\$3,370	\$3,604	\$3,113	\$2,521	\$2,481	-26.4%
Youth Exchanges	\$4,040	\$3,590	\$3,458	\$3,246	\$3,211	-20.5%
Study of the U.S.	\$413	\$483	\$343	\$343	\$328	-20.4%
Cult Cent's & Res's	\$8,459	\$5,342	\$4,682	\$4,733	\$4,845	-42.7%
Overseas Schools	\$2,458	\$2,250	\$1,915	\$1,915	\$1,825	-25.7%

Of principal importance to Liaison Group organizations is the Student Support Services Program which funds overseas educational advising services for students and scholars wanting to come to the United States. It is also one of the only funding sources for research on foreign educational credentials without which our universities cannot admit students from other countries. Support Services also funds professional training and participant enrichment programs. On a dollar-for-dollar basis it is probably more effective than any other USIA exchange program for it builds the infrastructure on which U.S. institutions, sponsoring government agencies, and ultimately the individual exchange participant all depend.

We believe Support Services and perhaps the other programs listed above should be moved from the Salaries and Expenses Account, where they cannot hope to compete against high-visibility agency-wide priorities (e.g. WORLDNET and VOA operations), to the Educational and Cultural Exchanges Account where these small but vital programs can receive proper consideration. To make such a move, the authorization for the Educational and Cultural Exchanges Account must be increased to allow for adequate funding.

o ADDRESS PROBLEMS FACING EXCHANGE PROGRAMS BY RECENT TAX POLICY CHANGES AFFECTING FOREIGN SCHOLARSHIP RECIPIENTS

Changes in scholarship taxation made by the Tax Reform Act of 1986 have resulted in severe fiscal, administrative, and foreign relations problems for U.S. exchange programs. These complex problems have been discussed in detail in recent Liaison Group correspondence with the Committee. Let me simply summarize them here by saying that inequalities of tax treatment between U.S. and foreign scholarship recipients, together with the senseless taxation of U.S. Government and foreign source scholarships, have created a situation which has cost much good will abroad as well as many millions of federal dollars.

It is extremely important that these problems be addressed as quickly as possible. The Liaison Group has worked closely with Senator David Pryor to develop legislation to resolve many of these problems and he plans to introduce this legislation next week. We urge the Committee to call for a resolution to these problems in its Report on the authorization and to work closely with the Committee on Finance to enact statutory changes aimed at solving these problems.

o MOVE THE J-1 EXCHANGE VISITOR PROGRAM BACK TO THE BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS

The Mutual Educational and Cultural Exchanges Act of 1961 established a special Exchange Visitor visa for nonimmigrant exchange participants. This 'J' visa is the principal means for exchange participants to enter the United States, and is therefore crucial to all exchange programs, both government and privately sponsored. Several years ago the major administrative functions for the J visa program were moved from the Bureau of Educational and Cultural Affairs to the Office of the General Counsel. The transfer has not proved at

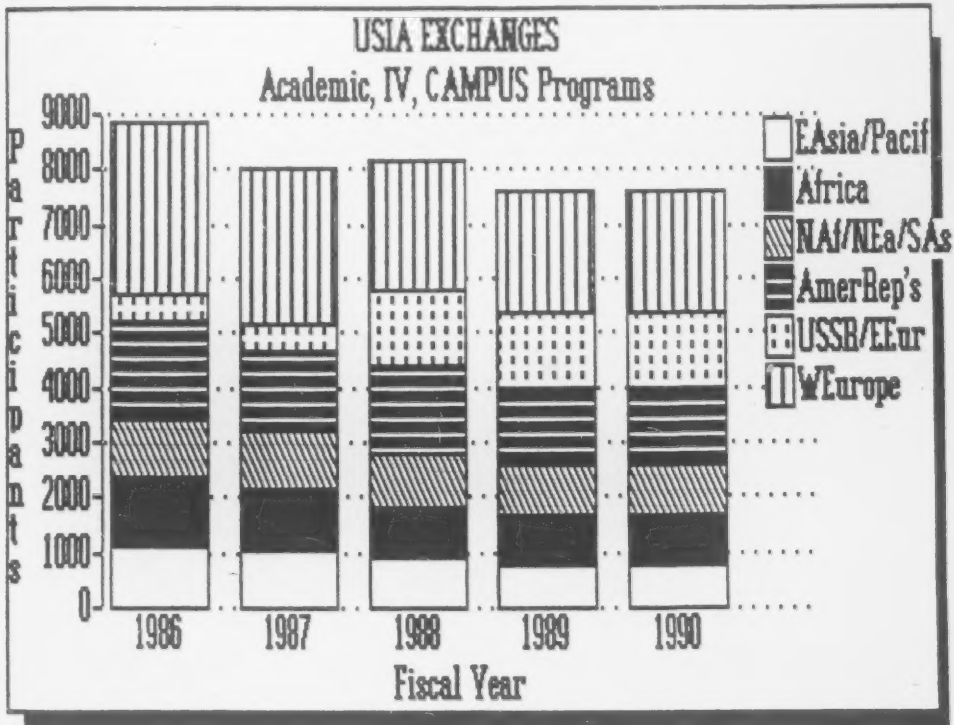
all successful from our perspective. To operate effectively, the J visa program must aim to both facilitate and encourage exchanges while exercising regulative control to ensure program quality. Since the transfer of the program to the General Counsel's Office, this balance has been lost and the previous good relationships with the academic and exchange community has deteriorated to an alarming degree. We believe an essential step toward regaining both balance and productive relationships is to return the program to the Bureau of Educational and Cultural Affairs by adding this program to the Bureau's Charter.

- o INCREASE THE FUNDING AUTHORIZATION FOR THE SOVIET AND EASTERN EUROPEAN RESEARCH AND TRAINING PROGRAM

Although opportunities for scholarly exchanges with the U.S.S.R. and Eastern Europe have burgeoned at a dramatic rate since the establishment of this vital program at the Department of State in 1985, funding for the program has actually decreased from the level it received that year (from \$4.8 to \$4.6 million). However, many of USIA's resources for exchanges with the Soviet Union and Eastern Europe are now devoted to Samantha Smith youth and undergraduate activities, making the level of funding for this State Department program crucial in maintaining scholarly exchanges. This country must continue to develop and maintain a core of knowledgeable experts, many of whom are teachers of students who ultimately participate in citizen exchanges. We urge the Committee to substantially increase the funding authorization for the program.

On behalf of my colleagues in the Liaison Group I wish to thank the Committee for the opportunity to testify on this vital legislation and for your extraordinary leadership in support of international educational and cultural exchanges.

the **LIAISON**
GROUP for International Educational Exchange
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The above graph represents the number of participants sponsored by USIA Academic, International Visitor, and CAMPUS programs from 1986 through 1990. 1986, 1987, and 1988 are actual figures. 1989 is USIA's estimate. 1990 is USIA's projected number based on its budget request for the Educational and Cultural Exchanges Account. Data taken from USIA Congressional Estimates for 1988, 1989, and 1990.

The CHAIRMAN. Thank you very much.

Mr. Smith.

Mr. SMITH. I would like to echo our appreciation to the chairman for all of his support. My name is Elbert B. Smith—

The CHAIRMAN. Excuse me, would you hold for a moment.

In connection with the vote, the clerk will call the roll vis-a-vis Mr. Murkowski.

Ms. ALLEM. Mr. Murkowski.

Senator MURKOWSKI. Aye.

I thank you, Mr. Chairman. I apologize, Mr. Smith.

The CHAIRMAN. Carry on, please.

STATEMENT OF ELBERT B. SMITH, NATIONAL PRESIDENT, FULBRIGHT ALUMNI ASSOCIATION

Mr. SMITH. No problem.

My name is Elbert B. Smith. I am a professor of history at the University of Maryland. In 1954 and 1951 was a Fulbright visiting professor at the University of Tokyo. In 1976 and again in 1982, I spent a semester as the Fulbright professor of American history at Moscow State University.

On another program in 1983 and 1988, I was an exchange professor at Beijing University. I am sure you have seen some of my students on television in the last few days. From 1978 to 1981, I was a member of the Board of Foreign Scholarships.

I am currently national president of the Fulbright Alumni Association. We have some 4,000 dues-paying members and many thousands who look to us for representation, but sometimes forget to pay their dues. We have the names of 20,000 former Fulbright scholars in our computer and we have 31 local chapters.

I should add that, while we have a paid executive director and staff, the officers and board serve entirely at our own expense as a labor of love.

Rarely do five professors agree on anything unanimously, but our people all agree fully that the Fulbright program and all related programs have been for 40 years a powerful force for international peace, worldwide cooperation. We think the exchanges have been vital to the maintenance of our international alliances.

Reference was made earlier to Germany. When I was on the board, the Germans kept saying that "We have been governed for 20 years by people who have had a happy American educational experience, they are passing off the scene, we are not replacing them fast enough; we want to send you more people, we want you to send us more people; we will pay for 80 percent of it." And yet it was like pulling teeth to get an increase.

You have to remember that the Fulbright professors and students, while we are limited in number, have contact with people who are going to be leaders. You are all aware of the large number of prime ministers, members of Parliament, judges, editors, opinionmakers, and leaders in all of these countries who have themselves been Fulbright students and scholars and have been to America on these programs.

Through these programs also, we have a much-improved climate between the United States and its potential enemies. Through

these programs, the people of many Third World countries have seen America and Americans at their best.

I would add that American scholars abroad have alerted people around the world to environmental dangers, they have helped preserve wildlife in Africa, they have provided the scientific and technical knowledge that has improved the lives and health of millions of people, they have improved the efficiency and quality of many governments. In every way, they have improved the image of the United States for millions of people.

If peace is the only true defense against nuclear destruction, the Fulbright programs have been an indispensable agency for American defense.

Today also, all nations face environmental threats that may ultimately be more dangerous to all of us than we are to each other. Confronting these dangers to human existence will require international cooperation among the world's scientists, as well as its political leaders.

Our hopes for survival have already been enormously enhanced by the development and exchanges of ideas and information and by the knowledge of each other's scientific achievements and potential that have been made possible by the Fulbright program and its imitators.

For these reasons, we urge you not to allow budget deficits and other financial problems to damage these relatively inexpensive programs. The programs should be expanding to meet the world's ever-growing need for them. But appropriations have not kept pace with inflation. The actual number of participants has declined by 13 percent since 1986.

We urge you as a bare minimum to recommend the authorization of enough funds to restore the programs to the 1986 level of participation. This, I might add, would take less than the cost of one airplane.

It is particularly important that no opportunities to expand our exchanges with the Soviet Union or with Eastern Europe should be lost from a lack of funds. In 1978 the Polish authorities agreed to expand the opportunities for American professors from 22 to 40. We had to answer that the funds were not available. I am convinced that the academic exchange programs have had a very important influence in Poland over the past 10 years and that the impact could have been greater.

An American history professor has taught an uncensored course at Moscow State University every year since 1974. The 10 people, 10 Russians, now teaching American history there have all studied or done research in the United States. They have all sat through the lectures of the visiting American Fulbright professors.

These Soviet scholars have written books and articles on American history that are friendly in tone. They and their students help provide information about the United States to their government. President Gorbachev's advisor on American affairs was once a Fulbright student at Columbia University.

China is an excellent example of what a massive application of the Fulbright principle can achieve. Along with the limited Fulbright programs, the Chinese Government and various private sources have sent more than 100,000 Chinese students to America.

The enormous intellectual gap left by the cultural revolution has been filled by students educated in America, and we are seeing the result.

I do not expect the Soviets to copy the Chinese in terms of opening the gates to that extent, but Mr. Gorbachev has surprised us before. If they should suddenly offer to double or triple the small number of students and professors now going back and forth, it would be really tragic if someone had to refuse the offer because of a lack of funds.

A major advantage of the Fulbright programs has always been their relative freedom from political influence. Fulbright grantees are respected and listened to or influential as independent scholars abroad because our colleagues and students have not considered us to be dispensers of American propaganda.

Obviously, by working for international understanding and by trying to represent America at its best, the Fulbright scholar does work for long-range American objectives. Also, for most of us there is a natural inner restraint that keeps us from publicly opposing a specific American policy abroad that we might be attacking daily if we were in the United States.

On those rare occasions when scholars have publicly attacked a specific American policy while studying or teaching abroad, the absence of any punitive action has served chiefly to promote the integrity of the program and impress our foreign colleagues with the quality of American freedom.

The debate between those responsible for advocacy of policies and those who would keep the Fulbright programs separated from such efforts has continued almost since the inception of the programs. I would suggest that these continuing arguments and occasional controversies themselves have played a major role in preserving the academic integrity of the programs.

Pressure and punitive efforts have on rare occasions been attempted, but I am not aware—and I could be mistaken—of anyone's career, certainly not in the last few years, that has actually suffered from these efforts.

The role of CIES, the peer group committees who choose candidates, the Board of Foreign Scholarships, provide considerable insulation, but obviously we should all remain alert to this possible danger.

At this point, however, I agree with Mrs. Pyle. I would not recommend the transfer of the program out of USIA to any less affluent agency that could not provide the overseas support structure that the American Fulbrighter often needs if he or she is to perform at maximum efficiency.

I would, however, strongly recommend a strengthening of the Board of Foreign Scholarships. I might add, I wrote this before I had seen the bill that is now made public. We support the bill completely, even though I may offer a few personal reservations.

I would strengthen the board by a specific definition, far more specific definitions of its powers and responsibilities. It should be made clear by law that the peer group committees make the selections, the CIES approves them, and the Board of Foreign Scholarships has the final say, and that USIA should have no power whatever to either select or reject candidates for this.

- The board should play a stronger role in cooperating with CIES in deciding what programs will be followed, what subjects will be taught or studied. CIES along with the binational commissions are in a better position to understand what will best help a country that we are dealing with.

As a professor of history, I am delighted we have had as much social studies as we have. On the other hand, there may be instances where an engineer who can help improve a nation's water supply might make us more friends than someone there teaching the glories of American civilization. There are other ways that I will not go into.

It has been suggested that the appointing process be changed. I do not object to the suggestions. I would point out, however, that appointment by the President of the United States does confer much prestige that can be very helpful to the board in its dealings within USIA and with other agencies.

I am not certain that there is any guarantee that another appointing agency would choose more wisely, although it certainly might.

I also doubt if the board would necessarily be improved by requiring that some of the members come from other Government agencies, even if they are academic in purpose. I would prefer that board members should not be on the federal payroll.

I think it is difficult for anyone in that status, regardless of the job they have within the Federal Government, not to be at certain times perhaps under pressure. I think it looks better to the academic community outside the Beltway, certainly, to see a board that does not have people on it who are already on the Federal payroll.

I believe, however, I know, that we would strongly support a stipulation that a large number, a large percentage, certainly more than half of the board members, should be scholars, should be distinguished scholars or academic administrators.

I would also like to see a stipulation that a certain percentage of the board should be former Fulbright grantees, people who understand how the programs really do work from the standpoint of the grantee. We have a great many highly distinguished people throughout the country who are former grantees.

Finally, I would urge you to do everything possible to induce other committees and other people to reduce the tax burden on the foreign scholar, at least to the extent of giving them the same deductions and exemptions granted to Americans.

The foreign scholar receives little enough already. He usually cannot afford to bring his family at all. The American scholar abroad is rarely, if ever, taxed by his host governments. I paid no taxes to the Russians or the Chinese or the Japanese.

The Soviet Union supports far more foreign students than we do, particularly from the so-called Third World, and they are not taxed. In the past, the Soviet programs have not converted many of the visiting students to the Soviet system, but with glasnost this may change.

The Soviets keep most of their African and Asian students in the separate Patrice Lumumba University, but their stipends are equal to those of the average Soviet student.

To bring foreign students to the United States, foreign scholars to the United States, and then force them to live near the poverty level defeats a major purpose for bringing them at all.

Also, many countries contribute significantly to the expenses of their own students who come here, and they resent the fact that their students are taxed so heavily. Our system of taxing them more heavily in proportion than we do our own citizens is very unpopular. It may be causing the very kind of student that we would like to have come here go to Germany, Japan, Australia, or the U.S.S.R. instead.

I would prefer that the foreign scholar be exempt from taxation without any reduction in present stipends, but it would certainly make more sense to reduce the advertised stipend by the amount of the tax than to spend money to collect the tax while making the foreign scholar feel that he is a victim of discrimination.

We did without this taxation for almost 40 years. Why do we need it now?

I will close by saying that we are very pleased by the appointment of Mr. Gelb to be the new head of USIA, his reported appointment of Mr. William Glade to serve as Deputy in charge of the activities related to the Fulbright and other exchange programs.

We are also grateful to you for allowing me to express the opinions and concerns which I believe represent the feelings of the Fulbright Alumni Association's membership. Thank you.

[The prepared statement of Mr. Smith follows:]

PREPARED STATEMENT OF ELBERT B. SMITH

Chairman Pell and distinguished members of the committee.

My name is Elbert B. Smith, and I am a professor of history at the University of Maryland. In 1954-55 I was a Fulbright visiting professor at the University of Tokyo. In 1976 and again in 1982 I spent a semester as the Fulbright professor of American history at Moscow State University. In 1983 and again in 1988 I was an exchange professor at Beijing University. From 1978 to 1981 I was a member of the Board of Foreign Scholarships. I am currently national president of the Fulbright Alumni Association. We have some 4,000 dues-paying members and many thousands more who look to us for representation, but do not always remember to pay their dues. We have the names of 20,000 former Fulbright scholars in our computer, and we have 31 local chapters.

The Fulbright Association was created and our members are united in support of the Fulbright programs for one major reason. From our own experience we believe that the Fulbright program and all related programs for the international exchange of students, teachers, and professors, whether for research or lecturing, have been for forty years a powerful force for international peace and worldwide cooperation. Many exchanges have been vital to the maintenance of our international alliances. Others have contributed much to the improved climate that now exists between the United States and its potential enemies. Through these programs, the people of many third world countries have seen America and Americans at their best. More than 110,000 foreign Fulbright scholars have had valuable and happy educational experiences in the United States, and some 65,000 Americans have taught or studied abroad. We are proud of the large number of foreign prime ministers, supreme court justices, members of parliaments, noted editors and authors, and other leaders who have been Fulbright scholars in America. I would add that American scholars abroad have alerted people around the world to environmental dangers; they have helped preserve wildlife in Africa; they have provided scientific and technical knowledge that has improved the lives and health of millions of people; they have improved the efficiency and

quality of many governments; and in every way they have improved the image of the United States for millions of people. If peace is the only true defense against nuclear destruction, the Fulbright programs have been an indispensable agency for American defense.

Today all nations face environmental threats that may ultimately be more dangerous to all of us than we are to each other. Confronting these dangers to human existence will require international cooperation among the world's scientists as well as its political leaders. Our hopes for survival have already been enormously enhanced by the development and exchanges of ideas and information and by the knowledge of each others' scientific achievements and potential that have been made possible by the Fulbright program and its imitators.

For these reasons we urge you not to allow budget deficits and other financial problems to damage these relatively inexpensive programs. The programs should be expanding to meet the world's ever-growing need for them, but appropriations have not kept pace with inflation, and the actual number of participants has declined by thirteen percent since 1986. We urge you as a bare minimum to recommend the authorization of enough funds to restore the Fulbright programs to the 1986 level of participation. I am informed that this would take 170 million dollars - less than the cost of one airplane.

It is particularly important that no opportunities to expand our exchanges with the Soviet Union or with Eastern Europe should be lost from a lack of funds. In 1978 the Polish authorities agreed to expand the opportunities for American professors from twenty-two to forty. We had to answer that the funds for this were not available. I am convinced that the academic exchange programs have had a very important influence in Poland over the past ten years, and that the impact could have been much greater. Our exchanges with the Soviet Union have been relatively small, but those involved have been in a position to at least try to make a difference. An American history professor has taught an uncensored course at Moscow State University every year since 1974. The ten people now teaching American history there have all studied or done research in the United States and have sat through

the lectures of the visiting American Fulbright professors. These Soviet scholars have written books and articles on American history that are friendly in tone. They and their students help provide information about the United States to their government. President Gorbachev's adviser on American affairs was once a Fulbright student at Columbia University.

China is an excellent example of what a massive application of the Fulbright principle can create. Along with the limited Fulbright programs, the Chinese government and various private sources have sent more than 100,000 Chinese students to America. The tremendous intellectual gap left by the Cultural Revolution has been filled by students educated in America. I do not expect the Soviets to open the gates to that extent, but if they should suddenly offer to double or triple the small number of students and professors now going back and forth, it would be tragic if someone had to refuse the offer because of a lack of funds.

A major advantage of the Fulbright programs has always been their relative freedom from political influence. Fulbright grantees have always been respected and listened to as independent scholars because our colleagues and students have not considered us dispensers of American propaganda. Obviously, by working for international understanding and by trying to represent America at its best, the Fulbright scholar does work for long-range American objectives. Also, for most of us there is a natural inner restraint that keeps us from publicly opposing a specific American policy abroad that we might be attacking daily if ^{we were} in the United States. On those rare occasions when scholars have publicly attacked a specific American policy while studying or teaching abroad, the absence of any punitive action has served chiefly to promote the integrity of the program and impress our foreign colleagues with the quality of American freedom. The debate between those responsible for advocacy of policies and those who would keep the Fulbright programs separated from such efforts has continued almost since the inception of the programs. I would suggest that these continuing arguments and occasional controversies have played a major role in preserving the academic integrity of the programs. Pressure

and punitive efforts have on rare occasions been attempted, but I am not aware of anyone's career that has actually suffered from these efforts. The role of CIES, the peer group committees who choose candidates, and the Board of Foreign Scholarships provide considerable insulation, but obviously we should all remain alert to this possible danger. At this point, however, I would not recommend the transfer of the program out of USIA to any less affluent agency that could not provide the overseas support structure that the American Fulbrighter often needs if he or she is to perform at maximum efficiency.

I would, however, strongly recommend a strengthening of the Board of Foreign Scholarships by more specific definitions of its powers and responsibilities. The Board has a broad and rather vague jurisdiction, within which its influence has varied according to the initiative and energy of its members. More specific definitions of the Board's powers would enable it to perform with less controversy and without interference by the advocacy arm of USIA. Improvements in the process by which board members are selected have also been suggested, but this is a very complex question. Appointment by the President of the United States confers much prestige that can be very useful to the Board in its dealings within USIA and with other agencies. There is no guarantee that some other appointing agency would choose more wisely. I also doubt if the Board would necessarily be improved by requiring that some of the members come from other government agencies even if they are academic in purpose. The Board was designed to be a non-political and independent barrier between the Fulbright program and the advocacy branch of the federal government. I cannot believe that appointing Board members who are already on the federal payroll is likely to serve this purpose, and I suspect that the academic community outside Washington, D.C. might find this a disturbing requirement.

I believe, however, that the Fulbright Alumni Association would strongly support a stipulation that more than half the Board should be distinguished scholars or academic administrators and that a certain percentage should be former Fulbright grantees. I would also personally recommend a wide geographical distribution in the selection of members.

And finally, we urge you to do everything possible to reduce the tax burden on foreign scholars - at least to the extent of giving them the same deductions and exemptions granted to Americans. The foreign scholar receive little enough already, and he usually cannot afford to bring his family at all. The American scholar abroad is rarely if ever taxed by his host government. The Soviet Union supports far more foreign students, particularly from the so-called third world, and they are not taxed. In the past the Soviet programs have not converted many of the visiting students to the Soviet system, but with glasnost this may change. The Soviets keep most of their African and Asian students in the separate Patrice Lumumba University, but their stipends are equal to those of the average Soviet student. To bring foreign students to the United States and then force them to live near the poverty level defeats a major purpose for bringing them at all. Also, many countries contribute significantly to the expenses of their students who come here. Our system of taxing them more heavily in proportion than we do our own citizens is very unpopular, and may be causing the very kind of student we would like to have to go to Germany, Japan, or the U.S.S.R. instead. I would prefer that the foreign scholar be exempt from taxation without any reduction in present stipends, but it would make more sense to reduce the advertised stipend by the amount of the tax than to spend money to collect the tax while making the foreign scholar feel that he is a victim of discrimination. We did without this taxation for almost forty years. Why do we need it now?

I will close by saying that we are pleased by the appointment of Mr. Gelb to be the new head of USIA and by his reported appointment of Mr. William Glade to serve as deputy in charge of activities related to the Fulbright and other exchange programs. We are also grateful to you for allowing me to express the opinions and concerns which I believe represent the feelings of the Fulbright Alumni Association's membership.

The CHAIRMAN. Thank you very much, Mr. Smith.

I would observe, incidentally, that on this committee we have three Rhodes scholars—Senators Lugar, Pressler, and Sarbanes. In addition to that, on our staff we have Mr. Ritch and we have Mr. Sieverts. So, you are well represented here.

I thank Mrs. Pyle particularly for her testimony. I would just ask, what percentage of the exchange program groups do you represent?

Ms. PYLE. Within the Liaison Group?

The CHAIRMAN. Yes.

Ms. PYLE. We represent the vast majority of the organizations which manage academic exchange programs of the USIA. Within AID it would be hard to say because that is very diffuse.

The CHAIRMAN. Good.

Mr. SMITH. Could I add that the Fulbright Alumni Association is a member of the Liaison Group.

The CHAIRMAN. Good.

I thank you both very much and your testimony is very helpful indeed.

The record will stay open for the rest of the day for any additional comments or questions by my colleagues, and the hearing is adjourned.

[Whereupon, at 11:28 a.m., the committee was adjourned, to reconvene subject to the call of the Chair.]

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